

# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

APRIL 1955

There are lots of good  
places for your savings—

**BUT**

**MORE PEOPLE HAVE  
MORE SAVINGS DOLLARS  
IN BANKS!**

How many; How much?

WHERE	PEOPLE	SAVINGS DOLLARS
<b>BANKS</b> .....	69,500,000 .....	\$73,250,000,000
Postal Savings .....	3,000,000 .....	2,100,000,000
Savings & Loan Associations .....	16,000,000 .....	27,500,000,000
U. S. Savings Bonds .....	45,000,000 .....	58,200,000,000
Life Insurance Reserves .....	92,000,000 .....	71,100,000,000

(Savings statistics (est.) as of Dec. 31, 1954)

**WHO?** People from all walks of life deposit their reserve cash in banks. That millions of folks in the middle and lower income groups do so is evidenced by the fact that the average bank account balance is in the neighborhood of \$1000.

**WHY?** These people deposit their savings in the bank because they can attend to many other financial matters under the same roof . . . because they know and have confidence in the bankers who serve them . . . because they can get interest on their savings at minimum risk, without having to make an investment . . . because they know that their savings dollars are put to work for the benefit of the local community. For convenience, safety, and pleasant dealings, more than 69 million people save at a bank. Come in and start your savings account with us; see why so many depositors say:

**"THERE'S NOTHING QUITE LIKE MONEY IN THE BANK!"**

How to Make a  
Profit on Savings

(page 34)

Lending to  
Credit Unions

(page 57)

▶  
"Money in the Bank"

(page 3)



# Ready for an **EMERGENCY**



Never before have ships at sea been so well protected against collisions, storms, fire and other hazards. And yet — the life preserver is still standard equipment.

Why? Because such disasters *do* occur.

Similarly, never before have businesses been so well protected against employee dishonesty — through strong internal controls and regular audits. And yet — dishonesty losses *do* occur. In fact, they are growing in size and frequency.

That's why your bank — to be

fully protected against financial loss from dishonesty — needs *adequate, well-planned Aetna Blanket Dishonesty Insurance.*

Your local Aetna representative is an expert in preparing dishonesty insurance programs. He will be pleased to assist *your bank* in the selection of proper and adequate fidelity coverages.



## **ÆTNA CASUALTY AND SURETY COMPANY**

*The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection*

LIFE AND CASUALTY	FIRE AND MARINE
Aetna Life Insurance Company	Automobile Insurance Company
Aetna Casualty and Surety Company	Standard Fire Insurance Company
Hartford 15, Connecticut	



# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

## CONTENTS FOR APRIL 1955

*Some material belongs in several different classifications but for your convenience is usually listed under one heading only*

### HERE AND ABROAD

THE OUTLOOK AND CONDITION OF BUSINESS—	
HOOVER COMMISSION REPORT	<i>William R. Kuhns</i> 33
HOW TO MAKE A PROFIT ON SAVINGS	<i>Allan Herrick</i> 34
WASHINGTON—HOOVER COMMISSION . . . HOLDING	
COMPANY LEGISLATION . . . MARKET	
INVESTIGATION	<i>Lawrence Stafford</i> 37
"AMBER LIGHT" BURNS STRONGER IN ENGLAND	
	<i>Herbert Bratter</i> 40
NORTH OF THE BORDER—CANADIAN LABOR	
ECHOES U. S. UNIONS	<i>Charles M. Short</i> 49
"TIS SPRING AGAIN" (CARTOON)	<i>Dick Ericson</i> 50
60 HOURS AFTER THE FIRE	<i>Mike Leon</i> 52
THE MONTH IN QUOTES	59
A.B.A. URGES PRESERVATION OF STATES' RIGHTS	
AT HOLDING COMPANY HEARING	125
PRICE SAYS U. S. PROTECTS LABOR, NOT INDUSTRY	147
BANKERS MUST TAKE THE LEAD IN PROMOTING	
SOUND FISCAL POLICIES	152

### PEOPLE

JUST A MINUTE	3
AROUND OUR BANK	<i>Belle S. Hamilton</i> 14
HEARD ALONG MAIN STREET	<i>Theodore Fischer</i> 20

### OPERATIONS AND PERSONNEL

ELECTRONICS AND SAVINGS OPERATIONS	
	<i>Everett J. Livesey</i> 41
INVESTMENT ANALYSIS IN THE SMALL TRUST	
DEPARTMENT	<i>Mendon W. Smith</i> 42
METHODS AND IDEAS	<i>John L. Cooley</i> 44
MECHANIZED MAILING	<i>Howard J. Carswell</i> 45
THE CONTROL OF MORTGAGE PRODUCTION AND	
SERVICING COSTS	<i>R. F. Marchant</i> 56
LENDING TO CREDIT UNIONS	<i>Charles L. Miller</i> 57

### ADVERTISING—PUBLIC RELATIONS AND EDUCATION

PUBLIC RELATIONS	46
GETTING THE MOST FROM FINANCE FORUM	
PUBLICITY	<i>Mary B. Leach</i> 54
BANKS IN THE LIVING ROOM	97
TOOLS TO MEET SAVINGS COMPETITION	138
BANKERS ARE PREPARED TO MAKE SERVICE CLUB	
SPEECHES	<i>Rudolph R. Fichtel</i> 156

### INVESTMENTS

GOVERNMENT BONDS	<i>Murray Olyphant</i> 60
THE INVESTMENT MARKETS	<i>H. Eugene Dickhuth</i> 61

### TRUST AND LEGAL

POST-MORTEM ESTATE PLANNING	
	<i>Marvin L. Madeson</i> 62
BANK LAW NEWS	<i>John René Vincens</i> 74
NEWS FOR TRUSTMEN	94

### GENERAL NEWS

THE SAVINGS AND MORTGAGE SCENE	
	<i>Joseph Earl Perry</i> 78
SCHOOL SAVINGS BANKING	84
BANKING NEWS	86
INSTALMENT CREDIT	90
SAVINGS	91
MORTGAGE CREDIT	93
TRUSTS	94
CALENDAR	95
AMERICAN BANKERS ASSOCIATION	} 41, 56, 64, 78-84, 86-95, 97, 125, 138, 152, 156
AMERICAN INSTITUTE OF BANKING	
THE GRADUATE SCHOOL OF BANKING	
NEW BOOKS	160

### THE COUNTRY BANKER

NEWS FOR COUNTRY BANKERS	64
BULK MILK TANK FINANCING	<i>Roy Schabel</i> 72

### BANKING's Advertisers . . . 162





## Safety First

The importance of safety is underscored by the evidence one sees everywhere. But when La Monte combined fine appearance with the unique tamper-proof properties possessed by its Safety Papers a double service was performed. Bankers everywhere were quick to recognize the value of this service. Today La Monte Safety Papers are used in large quantities for checks and other negotiable documents the world over. If you have not yet discovered the value of these superior papers your lithographer can show you samples or we'll gladly send them direct.



### A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.

THE WAVY LINES ® ARE  
A LA MONTE TRADE-MARK





## 3



To meet the stepped-up needs of industry . . .  
for more power—better performance—longer life . . .  
**ALLIS-CHALMERS PRESENTS TWO  
NEW, POWERFUL DIRT MOVERS**

ALLIS-CHALMERS  
**TS-360**



280 hp  
15-yd capacity, struck  
20-yd capacity, heaped

**NEW BIG YARDAGE WORK CAPACITY!**

**Power that pays** A great new Allis-Chalmers engine spearheads a whole new power train that offers more rim pull at all speeds for high-volume performance; faster acceleration, easy shifting and quick getaways.

**New operating ease and safety** Everything an operator needs to work easily, yet efficiently . . . new Double-Safety air brakes, new selective steering, direct electric starting, new multiple-disc cable control.

**Strength to back it up!** Including a new all-welded, heavy steel main frame and an all-new final-drive gear train that mean longer equipment life.

ALLIS-CHALMERS  
**HD-21**



204 net engine hp  
44,000 lb

**BIGGEST, MOST POWERFUL CRAWLER  
IN PRODUCTION . . . ANYWHERE!**

**New standards of output** The HD-21 introduces the new Allis-Chalmers engine and a great new power transmission team. With its advanced design torque converter (the result of 15 years of leadership by Allis-Chalmers) the HD-21 puts its power to work with less shifting than ever before possible.

**New standards of durability** Here are just a few of the long-life features you can't get from anyone but Allis-Chalmers . . . at any price: all-steel Box-A main frame, straddle-mounted final-drive gears, 1,000-hour truck wheel lubrication, oil-enclosed track release mechanism.

**New low cost per unit of work** The HD-21 offers 20 percent greater over-all performance. Add the planned approach to service offered by Allis-Chalmers dealers, and it's the ideal team for men tackling today's big jobs.

Nowhere can you match these two . . . in the amount of work they do!

**ALLIS-CHALMERS**  
TRACTOR DIVISION • MILWAUKEE 1, U. S. A.

## Profitable investments in community welfare

These two new dirt movers will increase output and lower costs for owners. Now, the road builder, miner, logger and other users of earth-moving machinery can strip more overburden, haul more logs or build more miles of road.

This news represents a continuing trend in productiveness and efficiency that benefits everyone . . . makes possible more civic improvements for the same cost . . . more miles of highway for the same tax dollar. Modern, pace-setting equipment like this is a sound investment for owner, bank and community.



(CONTINUED FROM PAGE 3)

pointers for profitable operation of the thrift service.

MR. HERRICK stresses: a check-up on operating costs, customer convenience, the rate question, service charges, savings as a feeder for other departments, breadth of savings service, and the quantity and quality of advertising.

He suggests that to place so valuable a service as savings "on a profitable and satisfactory basis" is a project to which "any banker can well dedicate his most conscientious effort."

This is a good, practical piece—for April or any other month.

### Subway Banking

SAVERS on their way to work in the 23rd Street-Madison Avenue area of New York City now have bright, modern banking facilities right on the subway platform.

The Bank for Savings has set up "subway banking" in the 23rd Street station of the Lexington Avenue underground. The accommodation was worked out as part of the modernized corner entrance to the bank's main office.

The subway windows open into a glass-enclosed working area equipped with electrical protection and air conditioning. Two tellers are on hand to accept deposits and open accounts on all banking days from 8 to 9:30 A.M. and 3 to 6 P.M. on

Tuesdays, Wednesdays and Thursdays.

### In Fourth Place, Banking

THE banking business is outranked by medicine, law and education as a "prestige" occupation, in the opinion of 25 high school editors in the New York metropolitan area.

A survey conducted by *News Workshop*, student publication of the New York University department of journalism, rated journalism in fifth place, next to banking.

Most of the editors placed the architect, the accountant, salesman and secretary below the journalist on their social scale.

### Rag Money Hits Washington Banks

OUR Washington observer, HERBERT BRATTER, reports:

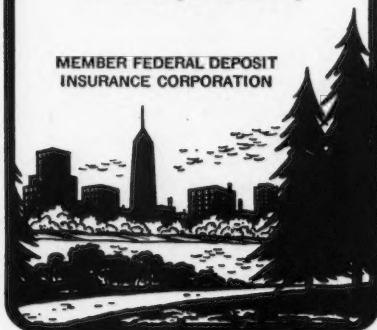
Bank customers in Washington, D. C., have noticed in recent weeks that crisp, new bills are no longer all that is automatically handed out by paying tellers. Until late 1954 Washington banks could get all the brand new bills they wanted just by asking for them. The result was that the Treasury was receiving from capital banks large amounts of circulated banknotes turned in for redemption although far from having reached the replacement stage. As an economy step the Treasury discontinued the practice.

IN THE CITY OF LAKES

## FIRST NATIONAL BANK OF MINNEAPOLIS

The Bankers' Bank  
of the Upper Midwest...  
for nearly a Century

MEMBER FEDERAL DEPOSIT  
INSURANCE CORPORATION



YOU'RE  
OUR  
BUSINESS



In addition to providing the perfect liaison system for mortgage-dealer relations, Foremost Insurance Company—specialists in mobile home insurance—provides a Vendors' Single Interest plan protecting your interest in the chattel every minute there is an unpaid balance.

Contact your Foremost agent today for full details, or write, wire or phone:



FOREMOST  
INSURANCE  
COMPANY

Grand Rapids 3, Mich.

Subway banking in New York City. The window in the right foreground is a station change booth







# Australia

## from a business point of view

*This booklet will assist anyone contemplating establishing a business in Australia, whether it is a small retail business or a large manufacturing company.*

Written with the authority of Australia's oldest and largest joint-stock bank, it offers those who wish to start a new enterprise in that young but growing country a short account of the framework of business organization throughout the Commonwealth of Australia. It also affords some knowledge of the problems and conditions which would be met.

If you have customers interested in establishing a business in Australia, you may obtain free copies of this book from:

## BANK OF NEW SOUTH WALES

BRITISH & FOREIGN DEPARTMENT, SYDNEY, AUSTRALIA  
John W. McEwen, Manager

## for "Plus Profits" in '55

USE  
CENTRAL NATIONAL'S

**BIG "5"**

1. An easy-to-use, tested direct mail plan with a proven record of increasing credit life, accident and health insurance sales by as much as 30%.
2. A renewal plan for your expirations — with a proven record of developing a high percentage of renewals—plus a six-month renewal certificate at 50% of manual rate.
3. A new Merit Rating Plan for automobile coverage . . . with discounts for safe driving.
4. A new field of profitable expansion for instalment fi-

nancing companies . . . a packaged sales plan for ordinary life insurance . . . designed for easy operation and quick sales.

5. A personalized Training Program by Central National specialists who work on the spot with your personnel.

*For more information, without obligation, and a new booklet explaining how Central National can help you increase profits, write today to J. Earl Thompson, vice president.*



**CENTRAL NATIONAL INSURANCE COMPANIES**  
1805 Harney St. Omaha, Nebr.

No one seems to recall just when or how Washington banks acquired their costly habit. Now the same standard of fitness is applied to currency turned in by D.C. banks as applies over the country generally. There seems to be one notable exception to the revised practice, however. The bank operated in the Capitol by the Sergeant at Arms of the House of Representatives still eschews anything remotely suggestive of filthy lucre. It pays out only brand new bills. What with the handsome pay increase the Congress has voted itself, the Congressmen's bank needs more new money than ever.

### Bushong 449, BANKING O

A COUPLE of months ago this department reported a merry exchange of pleasantries between E. T. Brown, vice-president of the Bank of Gainesville, Mo., and BANKING. It started with an item we'd picked up from *Ozark News and Views*, edited by Mr. B. for his bank, and it developed into an invitation (or was it a challenge?) from him, seconded by Robert E. Lee Hill, secretary of the Missouri Bankers Association, to visit Gainesville. The inducements included a Boone County ham feast and an opportunity to go bass fishing with Mr. Vest V. Bushong who, we were assured, is the champion of his bailiwick and then some.

The invitation was for April—which, of course, is now. But here BANKING sits, in a New York office, unable to go west, despite this most alluring follow-up from Mr. Brown:

"Mr. Vest V. Bushong came in this morning to make his customary deposit. Then he handed me the en-

(CONTINUED ON PAGE 11)

**"Wish we'd saved some money during the depression so we could live through prosperity!"**



**BANKING**





## A better view *across the border*

Many United States banks which have customers engaged in commerce or industry in Canada will find our monthly Commercial Letter a useful reference on developments north of the border.

Recent issues have carried articles, charts or tables on such diverse topics as Metropolitan Toronto—Industrial Highlights—Canadian Production—Canadian Prices, Wages and Employment—Banking and Finance—Canadian Foreign Trade.

If your own institution does not currently receive our Commercial Letter we shall be glad upon request to place your own name on our mailing list to receive it each month without charge.

For further information write any one of our regional Business Development Departments located at Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, or to our Business Development Division, Head Office, Toronto.

## THE CANADIAN BANK OF COMMERCE



HEAD OFFICE—TORONTO

NEW YORK • SAN FRANCISCO • LOS ANGELES • SEATTLE • PORTLAND, ORE.  
AND MORE THAN 680 CANADIAN BRANCHES





*photos show part of  
our large staff of specialized  
bank designers, and engineers...largest,  
most experienced in the world*

# **W**orld's largest organization of bankles

**our 4-step planning technique gets the job done right!**



**OUR ANALYSTS SURVEY YOUR NEEDS**

**1** Our analysts consult with you and your management team to determine your needs and objectives for the new and future system.



**OUR GROUP PLANNING BEGINS**

**2** Working sessions start with the project manager and team members. They discuss the project goals and objectives, and the team begins to develop a plan for the project.



**YOUR DESIGN TEAM TAKES OVER**

**3** A team of top professionals, including architects, engineers, and planners, take over the project. They develop a detailed design and plan for the project, and they begin to implement the plan.



**MORE SPECIALISTS JOIN YOUR DESIGN TEAM**

**4** Our specialists in design, construction, and operation join the team. They work with the design team to develop a detailed plan for the project, and they begin to implement the plan.

ST. L  
NE  
ILAN  
FRA  
ML  
Operat  
Corp



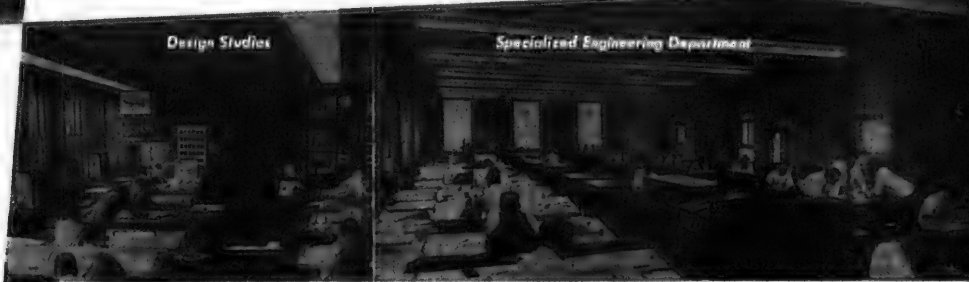


## How it can design your bank's future

These photos give you an idea of the size of our bank designing staff. But the caliber of talent it represents is even more important to you. For our organization includes some of the top engineers and designers from this nation, Europe, South America . . . the four corners of the world! We have been able to build and maintain this exceptional staff for one reason only . . . the *demand* by so many bankers for our services. This steady demand, and our *teamwork designing* techniques, enable us to apply the abilities of these men to your project regardless of its size or budget . . . *at no extra cost to you!*

Our planning methods, which combine authoritative knowledge of bank *operation* with functional architecture, have produced new quarters for nearly 3,000 banks . . . with outstanding results in increased business after completion. Write for details of our services . . . or visit us in St. Louis. See *why* this specialized ability resulting from 42 years of experience will benefit your new quarters project.

nk designers



## Bank Building Corporation

OF AMERICA  
also creators of America's outstanding office buildings

**Headquarters:**  
ST. LOUIS, 9TH & SIDNEY STREETS

**Offices in:**  
NEW YORK, 100 PARK AVENUE  
ATLANTA, WESTERN UNION BLDG.  
SAN FRANCISCO, 275 POST STREET  
MIAMI, 5204 WEST FLAGLER

**Operating Outside the Continental:**  
U. S. BANK BUILDING  
CORPORATION INTERNATIONAL

95 banks report:  
**deposits up  
48% since  
modernization**

Send for complimentary copy of this factual report. Tells what happened to business in a typical group of 95 banks after we completed design projects for them.



Mr. J. B. Gander, *President*  
BANK BUILDING AND EQUIPMENT CORPORATION OF AMERICA  
9th and Sidney Streets, St. Louis, Mo.

Send my free copy of:  
"WHAT HAPPENS TO BUSINESS AFTER A BANK MODERNIZES"  
On or about \_\_\_\_\_ we contemplate:

☐ NEW BUILDING ☐ MODERNIZED QUARTERS ☐ NEW FIXTURES ☐ MODERNIZED FIXTURES

NAME \_\_\_\_\_ TITLE \_\_\_\_\_

BANK \_\_\_\_\_

CITY AND STATE \_\_\_\_\_





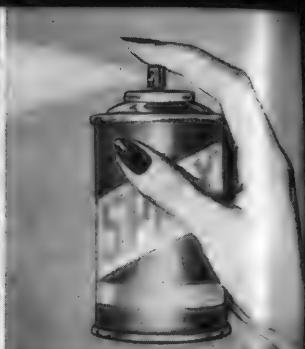
Seven in the family



A new nylon for textiles



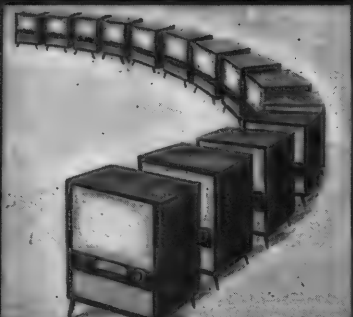
The luster of chrome



Thanks to Genetron



Hopewell—even bigger, even better



More products—using plastics



Moisture-proof wax for wrappings



Latest process for hydrogen peroxide

## how are they ALLIED ?

There's only one fundamental answer to that question:

Each picture you see portrays some aspect of Allied Chemical . . . suggests the broad range of its products, its plants, and progress made during the year by seven integrated divisions with 30,000 employees.

The complete story, of course, could fill a book — and does.

Our 1954 Annual Report covers a full year at Allied — points to some new developments such as —

National Aniline's brand new center at Hopewell, Va., for the production of Allied Chemical Nylon, Plaskon nylon resins and other new chemicals.

*A 100% increase in General Chemical's output of Genetrons — the organic fluorines that make aerosol propellants, refrigerants.*

The addition of Mutual Chemical Company — the country's oldest and yet most modern when it comes to chrome chemicals.

*Barrett's exceptionally pure phenol and its parade of plastics for other industries.*

Hydrogen peroxide, the upcoming product of the Solvay Process Division.

*Improved A-C Polyethylene through Semet-Solvay Division's discoveries.*

Further expansion at Hopewell, Va., and other locations by Nitrogen Division — already the world's foremost supplier of fixed nitrogen.

And the new research facilities which provide every division with its own modern laboratory and research staff.

### AND FINANCIAL HIGHLIGHTS ?

- Total sales and other income — \$538 million
- Net earnings — \$43 million — \$4.80 a share
- Total expenditures — new plants and equipment — \$94 million
- Research & Development — \$15 million
- Dividends quarterly for 34 years — \$3.00 a year in 1954 — to approximately 29,000 stockholders

There's more in the report.  
If you have an interest in Chemicals  
— or a company that makes them  
— write for our Annual Report.



The Annual Meeting of Stockholders will be held at 61 Broadway, New York City, Monday, April 25, 1955 at 1 p.m. (Daylight Saving Time). All Stockholders are cordially invited to attend.

## ALLIED CHEMICAL & DYE CORPORATION

61 Broadway, New York 6, N. Y.

"Chemicals Vital To American Progress"

Barrett	General Chemical	Mutual Chemical
	National Aniline	Nitrogen
Semet-Solvay		Solvay Process





(CONTINUED FROM PAGE 6)

closed snapshot showing one of his best catches—the limit of six—and said:

"Tell those men at BANKING that while the weather will be a bit rugged for fishing the next couple of months, they [the fish, of course] are hitting and fighting better than they do in the warmer weather."

"Vest," continued Propagandist Brown, "ran his total count for the calendar year 1954 to 449 bass, and is well started toward exceeding that total for 1955."

#### A Landmark Passes

THEY'RE tearing down the Fifth Avenue Bank building at the corner of New York's 44th Street, and the rising dust uncovers many memories.

Since 1948 the familiar structure has been The Bank of New York's Fifth Avenue Bank office, which is to have quarters in the 25-story office building that will occupy the site.

Shortly before the old bank moved into a temporary home just down the street, there was an open house to commemorate the dear, dead days. Prints, photographs and memorabilia from the Fifth Avenue's rich archives were on display, and a souvenir brochure, *A Window on the Avenue*, painted a nostalgic portrait of what the building had seen and how the bank and the Avenue had developed together.

The Fifth Avenue, you remember, was famous for many things. It catered to women—indeed, provided them with special quarters. It emphasized courtesy and service to

everybody. Its young men were so well trained that the bank was nicknamed "the bankers' kindergarten," and many prominent New York bankers got their starts inside its brownstone walls.

#### Service for Madame

THE new brochure, going back to the bank's establishment in the basement of the Sherwood Hotel at 44th Street in 1875, quotes the New York *Evening Post's* account of the new institution:

"Among the depositors in the bank are many ladies, and for their accommodation a parlor has been fitted up at the left of the entrance which is richly carpeted and elegantly furnished and in every way comfortable and convenient. For this class of depositors the bank will probably prove particularly attractive as its patrons will not encounter any of the confusion and bustle which are so common in the crowded banks in the lower part of the city."

The bank's mainspring was Cashier A. S. Frissell, who later became president. Special attentions for women were his idea, and when the bank moved across the Avenue in 1890 he saw to it that their interests were looked after. The "Ladies' Parlor" was created from an old carriage house next to the bank. Its elegant furnishings became almost a trademark of the Fifth Avenue, and they are to be reinstated in the new building.

Mr. Frissell also had definite ideas about bank service.

"From the day the doors opened,"

One of several cartoons in the 1954 report of the Girard Trust Corn Exchange Bank of Philadelphia. This bank's annual brochure has won several awards



#### JIM DILLEY says . . .

"We have just published a powerful new bank savings folder. Written for us by one of America's top writers of financial advertising, this folder gives SIX SPECIFIC reasons why a prospective depositor should select a bank (YOUR BANK) as a place in which to save his or her money. Among early orders for this folder are two from former presidents of the FINANCIAL PUBLIC RELATIONS ASSOCIATION . . . men who should know good savings promotion when they see it. Write for a sample TODAY. Ask for SMART SAVERS CHOOSE (our form BSF-155)."

#### DILLEY, MARTIN, AND HESS, INC.

Financial Advertising

9 NORTH ILLINOIS STREET  
INDIANAPOLIS 4, INDIANA

#### GOING OUR WAY?

Chances are your client will some day come into the booming Delaware Valley. When they do, you will want them to receive the best banking service. That is when you should turn to Central-Penn.

We have more than 125 years of experience to put to work in your behalf, plus the size and stability produced by steady growth.

So, when you come Delaware Valley way, make your way first to Central-Penn.

#### CENTRAL-PENN NATIONAL BANK

OF PHILADELPHIA

Member Federal Deposit Insurance Corporation  
Member Federal Reserve System





## Step Up GOOD-WILL with TOLEDO Courtesy Weighing

A public weighing service—with a modern Toledo Person Weigher—becomes your hard-working good-will ambassador. More and more people today are weight-conscious. They appreciate this added service . . . an invitation to weigh themselves daily without the need to reach for small coins to pay for it. They like to step up to this Toledo . . . the best known name in weighing, and get Honest Weight. They like to return repeatedly to a scale that fully merits their confidence. Modern design; handsome gray finish.

It will pay you to investigate the many advantages of a Toledo Person Weigher to increase traffic and good-will for your bank. Send for bulletin PW 850. Toledo Scale Co., Toledo 1, O.

**TOLEDO®**  
Headquarters for SCALES

recalls the brochure, "the basic policy of the officers and staff was courtesy to all—courtesy regardless of the size of the balance maintained or the occasional unreasonableness of a customer's request. No one was to be brushed aside. Each person who came into the bank was an individual and was to be treated as such.

"Day after day Mr. Frissell gave lessons in how to conduct a bank account, how to draw a check, how to reconcile a checkbook with the bank's statement—and the importance of doing so. It required patience, but it paid handsome dividends."

### It Was Caruso, All Right

MANY good stories are told about the bank. Here's one *A Window on the Avenue* recounts:

Most of the Metropolitan Opera Company's great singers have carried accounts at the Fifth Avenue at one time or another. Among them was Caruso.

"One day he came into the bank at the noon hour to cash a check and happened to go to a new teller. Forty-fourth Street and Fifth Avenue is a windy corner where anything can happen, and when an alert young paying teller sees a famous name like Caruso on a check, he in-



"I just oiled it!"

stinctively becomes suspicious. In this case, the fact that the person on the other side of the wicket looked like Caruso only increased his doubts.

"The more Caruso tried to convince the distracted teller that he was Caruso, the more convinced the latter became that he was a fraud. Then Caruso had an inspiration. Stepping back a few paces from the teller's window so that he would not blow the money around, he placed one hand on his breast and began to sing an aria from 'Tosca.'

"Long before he finished, the teller began to count the money out in a panic. When he came to the end, Caruso bowed and took his money, while customers and clerks cheered."

J. L. C.

John I. Downey, vice-chairman, and Albert C. Simmonds, Jr., president, The Bank of New York, inspect a model of the building in which the Fifth Avenue Office will be housed







## A BUSINESS NEEDS ALL THE HELP IT CAN GET

Johnny can build a dream of a birdhouse. To satisfy future "home owners" he has made an investment in good equipment and raw materials. He also knows that tools and materials alone do not build a business . . . it takes a market . . . people. Advertising and personal selling do that job for him.

We all know Johnny is right. No matter how good the product, *the buyer has to be sold*. That is why a business needs all the help it can get to build acceptance for the company and its products in its markets. Progressive top management men make sure their company's sales effort is supported by a consistent, well-directed and properly-executed advertising program.

Sales messages in Business Publications . . . edited for specific markets . . . reach not only the executives who buy, but also those who influence purchasing decisions. As a marketing 'tool' it has proven to be effective in widening existing markets, developing new markets . . . making present investments safer and the company's fu-

ture more secure. Business Publication Advertising builds company recognition . . . breaks down buying resistance . . . builds sales and profits. It creates acceptance for the company's products—makes their salesmen's time more productive.

**THAT'S WHY WE SUGGEST:** *If you have a financial interest or responsibility in a company, you will want to encourage the company's management in the use of adequate Business Publication Advertising.*

As an aid to business executives who are working on plans for the future, the McGraw-Hill Department of Economics has just published a 24-page report entitled, "The American Economy—Prospects for Growth." It takes a look at the growth possibilities of our national economy, and reviews the tremendous potentials for a number of individual industries and fields. We will gladly mail you a copy without cost or obligation.



# McGraw-Hill

PUBLISHING COMPANY, INCORPORATED



330 WEST 42nd STREET, NEW YORK 36, N. Y.



OVER A MILLION MEN IN BUSINESS AND INDUSTRY PAY TO READ McGRAW-HILL BUSINESS PUBLICATIONS





## She SAVES Her Coins . . and SEES Them Too

... and builds a  
NEW ACCOUNT  
for you . . . with

## VISABANK

### The self-liquidating HOME SAVINGS BANK

that works for you twenty-four hours a day. Your name is stamped in gold on front of Visabank — your complete ad message on card at rear.

Beautiful as well as useful. Body of clear plastic with base and top in full range of handsome colors—solid, marbelized and pearlescence.

**FREE Sales and Advertising Helps**

Write for full information.

**Patented Plastics, Inc.**

1010-B Woodland Ave., Cleveland 15, Ohio



WHEN she was "new" in the bank and not quite familiar with all the rules, this happy-go-lucky and very pretty girl once called down upon her head the thunders of the higher-ups by divulging to a wife, at the latter's request, the amount a husband carried in his checking account. Her calling down was the echo of the one delivered by the husband to the head teller.

The warning she had received that time stayed with her; and, by the time she was a full-fledged teller, she had acquired a reputation for keeping her mouth closed second only to that of the late Calvin Coolidge.

One day she was called on to cash a check for a customer unknown to her, who, at her request, presented a number of identification papers, after which he received his money and left hurriedly.

A few moments later, he called her on the telephone and said that somewhere in the bank he had left his driver's license and other papers which he had used in identifying himself—would she please look around and see if she could find them. He knew that among the lost items was a \$20 bill. He left his home telephone number, that she might notify him.

Sure enough, on the checkwriting desk nearest to her cage, she found the twenty and the other mislaid papers. Thrilled to be of service, she called his home. A lady's voice answered. Her husband had "just



stepped out." Could she take a message?

Memories of that awful day of long ago rushed over the teller. Perhaps this was another case where the lady of the house wasn't supposed to know the man of the house had a twenty-dollar bill. She thought just a moment, and then said, in a lilting voice, "Will you please tell Mr. Blank that I have what he's been looking for, and ask him to call me?"

PROFOUND indecision furrowed the brow of the young girl who sat in the customers' chair at the "new accounts" desk. "I'd like to open an account with the bank," she said, "if I could just be sure my money will be safe. Are you sure it will be well taken care of? I'd hate awfully to lose it."

The officer in charge explained about the FDIC protection of accounts up to \$10,000 each and stressed how safe this made bank accounts.

"Yes," she said, "I've heard something about that, but there were so many folks during the depression



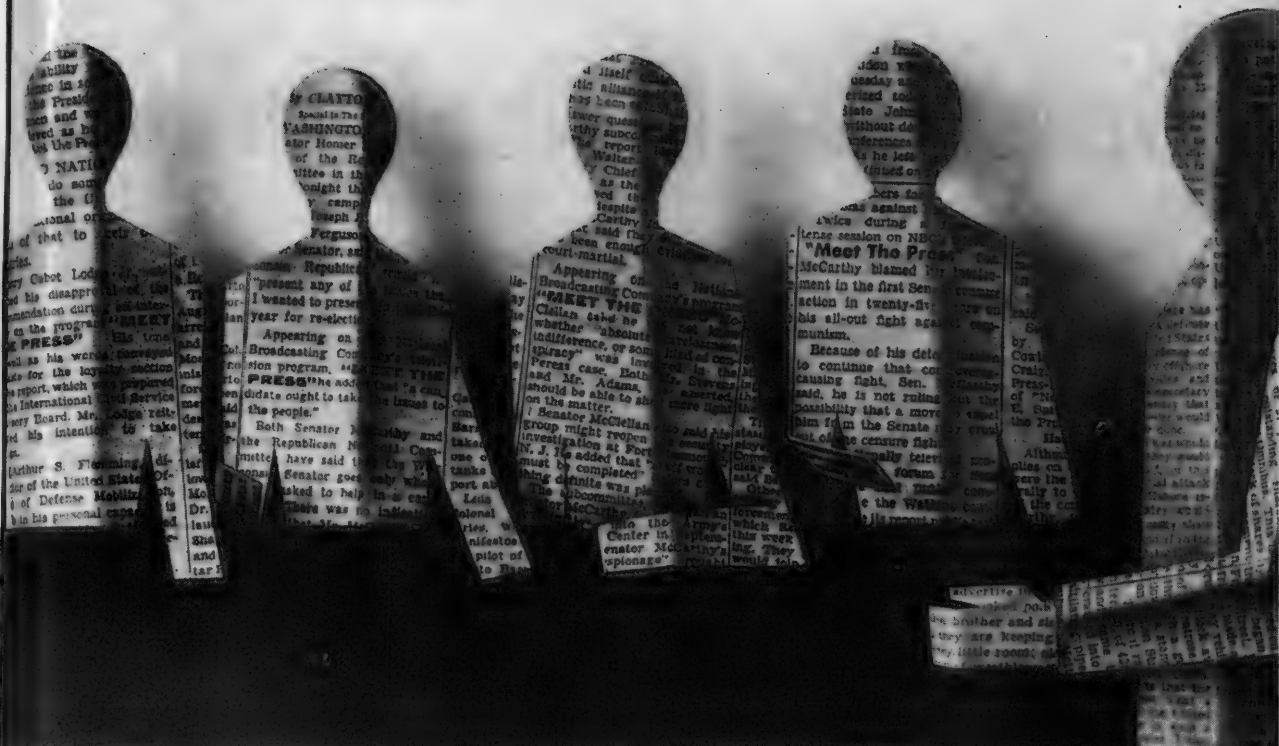
that lost all they had and never got it back. Why, from being rich folks, they were right down in the gutter, when, if they had kept their money out of the banks, they would still have it."

"That's just why the Federal Deposit Insurance Corporation was organized," said the officer, "to prevent any such a catastrophe from happening again."

"Well, if you're absolutely sure it will be safe, I guess I'll put my money in the bank, then," she said, hesitantly, and opened her large handbag. From it she took a smaller pocketbook and from that a wallet, which she carefully opened. The climax, for the officer, came when she drew out two crumpled \$1 bills, and bravely laid them on the desk.

BELLE S. HAMILTON





## Bankers sponsor "Meet the Press"

"Meet the Press", winner of virtually every important television award is now open for sponsorship in certain cities.

Banks have been quick to take advantage of the program's prestige and long-established popularity. It is already locally sponsored by the Old Kent Bank, Grand Rapids, Mich.; Citizen's Savings Bank and Citizen's Trust Company, Providence, R. I.; Michigan National Bank of Lansing and the Northwest Security National Bank of Sioux Falls, S. D.

"Meet the Press", NBC's live, lively press conference of the air, has made more front-page news than any other program in TV history. It brings to the cameras such history-making personalities as Vice President Richard M. Nixon, Adlai E. Stevenson, Secretary of State John Foster Dulles, Sir Anthony Eden and former

French Premier Mendes-France.

"Meet the Press" originates live every Sunday 6:00-6:30 p.m. New York Time—a family time on the family day. Tailored for local advertising budgets, complete costs of this top-notch half-hour program, in prime television time, range from \$35 to \$1000, depending on the size of the city.

For exclusive sponsorship of "Meet the Press" in your city, call your local NBC-TV station or NBC Co-op Sales today.



TELEVISION  
Co-op Sales

a service of 

30 Rockefeller Plaza, New York 20, N. Y. or your local NBC station



Despite the worst Kansas drouth in years

# "Our sales keep climbing"

## These newspaper headlines tell the story

PAOLA, Kansas, August, 1953—Drouth conditions so severe that city enforces water conservation measures. January, 1954—Water situation worse . . . city pumping water round-the-clock from small creek several miles away. July, 1954—Temperatures soar above 100 degrees every day for 4 weeks . . . fields are parched, crops are suffering.

Conditions like these could sour a man on the farm-equipment business fast. But not Tom Burnett. For during this period of drouth, his sales volume more than doubled. To understand how this could happen, you have to know more about Tom Burnett and his opportunities as a Ford Tractor and Implement Dealer:

From airplane test pilot to tractor salesman—that's the jump Tom Burnett made in 1945 when he first went to work for a Ford Tractor dealer. Seven years later, with both sales and management experience under his belt, Burnett stepped out on his own. He formed the Miami County Tractor Co. in Paola, Kan.

### The right start was important

"From the beginning," recalls Burnett, "we built our dealership carefully. We picked good men, and we made sure that they were well trained. But, most important, we lined up with Ford. We wanted to sell top products, and we wanted them priced right."

The chance to test this decision came a year later. Rainfall in Miami County grew scarce and farmers were suddenly faced with a drouth. So were many farm machinery dealers in the area. "When a farmer's been hurt by the drouth," says Burnett, "he takes a long look at expensive, single-purpose

tractors that might sit idle part of the time. A Ford, on the other hand, is a general-purpose tractor. It'll do a good job of field farming, it's economical for lots of light jobs around the farm and it's good for soil and water conservation work, too." By telling farmers about these Ford Tractor advantages, the dealership more than doubled its sales volume, despite the drouth. *And sales are still climbing!*

### The future looks even brighter

The sales opportunities of this dealer, like those of Ford Tractor and Implement Dealers everywhere, will continue to be exceptionally good. Yes, even better than before. Because an expanded line of Ford Tractors and advanced Ford Implements to work with them has opened up broad, new sales horizons. That's why, in the farm equipment business, it's better to be *with* Ford, than just to *watch* Ford! Tractor and Implement Division, Ford Motor Company, Birmingham, Michigan.





# with FORD!"

**FORD TRACTOR  
AND IMPLEMENT  
DEALER  
SUCCESS  
STORIES**

**says Tom Burnett,  
Miami County Tractor Co.**



Miami County Tractor Co. owners, Tom Burnett and Bob Protzman, believe in demonstrations. In fact, they'll demonstrate at the drop of a hat! Here they have a Ford Tractor and Rotary Cutter ready for a customer to try.

Fast, dependable service is another key to this dealer's success. Servicemen Bert Hastings and Bert Spilker can get to the cause of trouble in a hurry . . . and customers appreciate it. New tractors are carefully checked, too, before delivery.



## **A profitable business for the right man...**

Tom Burnett's success as a Ford Tractor Dealer is typical of the many thousands of aggressive dealers associated with the Ford Motor Company.

And right now, there is room for more "Tom Burnetts" with this fast growing organization.

Perhaps you know a man who has the qualifications for managing a successful farm machinery dealership—a deserving individual looking for the right opportunity. You can help launch this man into a successful future by suggesting he get in touch with the General Sales Manager, Tractor and Implement Division, Ford Motor Company, 2540 East Maple Road, Birmingham, Michigan.





# EVERY OFFICE

*should have  
at least one!*

The new  
Smith-Corona  
Carbon-Ribbon  
Typewriter



## A "write" equalling machines costing hundreds of dollars more!

With this *Carbon-Ribbon* you get an amazingly clean, crisp, print-perfect quality of "write" for executive letters, reports and special presentations. Yet the cost is only \$42.50 more than the corresponding "Eighty-Eight" Secretarial. More than that—it's the low-cost answer to preparing, right in your own office, copy for reproduction by offset, multilith, and other duplicating methods. Letter-perfect, print-perfect results.

Carbon ribbon and conventional fabric ribbon are quickly and easily interchanged. Here is a truly dual-purpose typewriter that solves many office problems, at low cost.

See and try it in your own office...



Call any Smith-Corona  
Full-Line Dealer or  
Branch Office (see your  
Classified Telephone Directory)



At the same time see the  
All-New Smith-Corona  
"Eighty-Eight" SECRETARIAL—  
for feather-light touch,  
smooth and responsive action.

Smith-Corona Inc Syracuse 1 N Y Factories also in Toronto, Brussels and Johannesburg

## Public Pension Funds as Mortgage Investors

"MANY of the public pension funds have as wide latitude in selecting investments as do the private funds," Miles L. Colean, housing consultant, told the Mortgage Bankers Association's mid-winter conference. "Yet the selection is heavily on the side of corporate and Government bonds. While there is some evidence that the public funds have bought FHA and VA mortgages a little more extensively than the private funds, the amount apparently is still relatively very small."

As to why pension fund managers have shied away from investments outside the bond field, Mr. Colean declared that "the supply of bond and stock investment has been so ample that it has been unnecessary for the funds to reach out into other areas in order to keep their portfolios filled. Second, since the pension managers, both private and public, have not usually been men who are familiar with mortgage investments, the possibilities in this particular area have not been adequately investigated. Third, pension managers who have given at least some consideration to mortgage possibilities have frequently come to the conclusion that the handling of mortgages entails a much larger organization and a much greater overhead than do other forms of investment."

He told the mortgage men that to tap this field of investment successfully some sort of new instrumentality is needed that will break down the prejudices of pension fund managers and make it possible for them to invest in mortgage loans as easily and as conveniently as they do in the bond markets.

Such a device, he said, would perform all of the functions of the home office of a life insurance company, in other words, an agency that would perform so well that all the pension funds would have to do each month is receive and deposit checks covering mortgage income and return of capital.

"If it can be made that simple, I think the funds will buy it," he said.



*They are glad  
to see Johnny go . . .*

It was a good feeling to know that enough money was in the bank to pay for Johnny's college education.

Watching him go, they thought of a time 17 years ago when that first Christmas Club check arrived. In the envelope was a Christmas Club folder which said, "Prepare for your child's education now." Then and there they had decided to start building a cash reserve for little Johnny's college career. They recalled how helpful the bank had been—showing them how it could be done by opening a permanent savings account with their Christmas Club check, and how the "saving habit" they had already learned would make Johnny's account grow and grow. The years seemed to fly—and now here is Johnny off to the college of his choice without a financial worry in the world.

Christmas Club is bringing people like Johnny's parents to financial institutions every day. Here they become prospects for every service you offer.

If you would like to know how Christmas Club can help you—or how your present Christmas Club can bring in more prospects for other services why not ask us to send in the Christmas Club man. There's one near you and he's fully capable of helping you set up a new club or make an old one more productive.



VACATION CLUBS • SCHOOL SAVINGS • ALL PURPOSE CLUBS • TAX CLUBS



**Christmas Club**  
**A Corporation**

FOUNDED BY HERBERT F. RAWLL  
230 PARK AVENUE, NEW YORK  
STAFF MEMBERS THROUGHOUT AMERICA

BUILDS CHARACTER • BUILDS SAVINGS • BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS



*This department is compiled by  
THEODORE FISCHER of BANKING'S  
staff.*

## Albright Retires

**P**AUL W. ALBRIGHT retires as of April 1 as general secretary of the Savings Banks Association of the State of New York. He has been with the association for 31 years. He will continue as consultant to the Council of Administration of the association.

**E. HENRY POWELL**, executive secretary for the past five years, on April 1 becomes general secretary.

Pending proposed by-law changes to be submitted to association members in April of this year, **JACKSON S. HUTTO** is to occupy the new position of managing director. Mr. HUTTO is a former general counsel to the New York State Banking Department, a former superintendent of that department, and is currently associated with the trust department of Guaranty Trust Company of New York.

## Big Merger Planned

**S**UBJECT as this is written to all necessary approvals, **NATIONAL CITY BANK** of New York and **FIRST NATIONAL BANK**, New York, have announced merger plans. The combined institution is to be known as **THE FIRST NATIONAL CITY BANK OF NEW YORK**. As of December 31, total resources of the two banks amounted to \$7,036,000,000.

All members of the senior management of **NATIONAL CITY BANK**

# Heard Along



**J. S. Hutto**



**Paul Albright**



**C. H. Diefendorf**



**Bayard Pope**

will continue in their present positions. **ALEXANDER C. NAGLE**, president of First National, will join the group as chairman of the executive committee, and **GRANT KEEHN**, executive vice-president of First National, is to hold the same title in the combined institution.

**NATIONAL CITY BANK** operates 71 branches in New York and 57 branches in 19 foreign countries. **FIRST NATIONAL** has no branches, and has specialized in large corporate relationships.

**HENRY J. COURT**, manager of the Temple City office (Los Angeles County) of the First Western Bank and Trust Company, San Francisco, has been promoted to vice-president and named a senior member of the bank's business development department in San Francisco.

**CHARLES H. DIEFENDORF**, Buffalo, N. Y., has been named chairman of the board and chief executive officer of Marine Midland Corporation. He is succeeded as president by **BALDWIN MAULL**, formerly executive vice-president. **BAYARD F. POPE** of New York City, board chairman since 1934, was named chairman of the executive committee. **GEORGE H. AUFFINGER** was elected vice-president; **GEORGE K. CONNELL**, treasurer; **ALBERT P. ROESCH**, assistant vice-president. Mr. DIEFENDORF had been president and chief executive officer since 1942.

## Cracks "Century"

**EMORY F. THAMES**, president of First Atlantic National Bank of Daytona Beach, Fla., has joined The Century Club. Uh-huh, he's not 100 years old!

Each year in Daytona Beach there is Speed Week, a racing event in which anyone who can drive his stock car at an average speed of 100 miles per hour over a measured mile on the beach is entitled to membership in The Century Club.

Mr. THAMES made the run in his Chevrolet Corvette with a passenger, W. W. Swann, assistant trust officer and assistant vice-president, and turned in a mere 97.93 miles per hour. Next day he went alone, pumped the tires a bit harder, made a minor adjustment or two—and "cracked" the "century" with an average speed of 103.52.

**FIRST WESTERN BANK AND TRUST COMPANY**, San Francisco, hopes to acquire the assets of two banks, First National Bank of Riverdale,

More than 40 volunteers, all officers and employees of American Security and Trust Company, Washington, D. C., counting money collected on Heart Sunday. Contributions brought to the city's fire houses by volunteer workers were taken by police to the bank's main office. "This," says the bank, "is typical of the way bankers throughout the nation aid charitable campaigns in their communities"





# Main Street



H. S. Chase



H. A. Yoars

and Indian Valley Bank of Greenville.

H. STEPHEN CHASE, vice-president and manager of the American Trust Company, San Francisco, has been reappointed to the California Highway Commission by Governor Goodwin J. Knight.

H. A. YOARS, formerly vice-president of the Equitable Life Assurance Society, has joined National City Bank of New York to head its new real estate and mortgage loan department.

## Hagemann Honored

HENRY FREDERICK HAGEMANN, JR., president of Rockland-Atlas National Bank of Boston, was one of several alumni of Washington University, St. Louis, to be honored for outstanding achievements and services which have reflected credit upon the university.

MR. HAGEMANN has long been active in the A.B.A., was chairman for some years of the A.B.A. Savings Bonds Committee, and is currently a member of the Government Borrowing Committee.

W. K. MCINALLY, president of the National Bank of Jackson, Mich., has been named board chairman to succeed S. M. SCHRAM, who retires as chairman but continues as a board member. Succeeding to the presidency is RUSH W. MCCUTCHEON, heretofore executive vice-president. TRAVIS W. PEARSE, executive vice-president of St. Joseph Bank & Trust Company, South Bend, Ind., has been named executive vice-president.

FIRST NATIONAL BANK, Fond du Lac, Wisc., is celebrating its 100th birthday. Part of this celebration includes a change in name from First Fond du Lac National Bank, and publication of a 20-page illustrated historical section of the *Commonwealth Reporter*.

## Start Foundation

THE FLORIDA BANKERS ASSOCIATION has established an Educational Foundation which will provide for a series of cash scholarship awards to potential bankers for further study in banking and finance at any one of several universities and colleges in Florida. The scholarships will be limited to the field of banking and finance and will be underwritten by voluntary contributions from Florida banks.

The Foundation's chairman is Linton E. Allen, board chairman of First National Bank, Orlando.

At Frost National Bank of San Antonio, Texas, these trust department promotions have been announced: BEVERLY RUST and E. A.



Portrait of the late Thomas Alva Edison is unveiled in the Lee County Bank, Fort Myers, Fla., by the inventor's son, Charles Edison, former Governor of New Jersey. The event was a part of an annual Edison pageant in Fort Myers

SIBLEY, vice-president and trust officer; FREDERICK E. BRAMLETTE, trust officer; LOUIS C. BAKER and JOHN H. SPENCER, assistant trust officers.

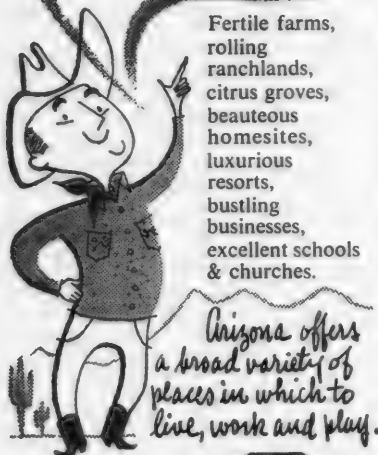
HOME STATE BANK, Humboldt, Nebr., recently celebrated its 40th anniversary with an open house. In a full-page advertisement inviting the public, the bank felt impelled to suggest that "since you were so generous recently with floral remembrances, please no flowers for this occasion."

This photo shows a bank president as guest star on a competing bank's television show. The show, "This is the Midwest," is sponsored by Harris Trust and Savings Bank. Left to right: Fahey Flynn, narrator; guest Homer J. Livingston, president, First National Bank of Chicago and president, American Bankers Association; Kenneth V. Zwiener, president of the sponsoring bank; Thomas H. Coulter, chief executive officer, Chicago Association of Commerce, co-producer, with CBS, of the weekly show





# "Thar's Gold In Them Thar Hills..." AND VALLEYS TOO.



Fertile farms, rolling ranchlands, citrus groves, beauteous homesites, luxurious resorts, bustling businesses, excellent schools & churches.

Arizona offers a broad variety of places in which to live, work and play.

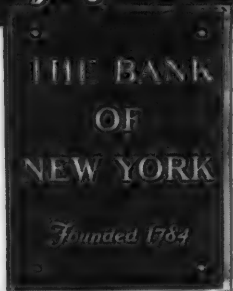
35 OFFICES  
SERVING ALL  
ARIZONA

Home Office: PHOENIX

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## BANK SIGNS in dignified bronze



Picture the name of your bank in enduring bronze and aluminum . . . the names of your personnel in handsome desk plates of the same dignified metal.

Let us show you how we can give you the very finest signs, desk plates and bulletin boards to suit your every need . . . at most economical prices.

Send for free illustrated catalog



### DESK NAMEPLATES

2"x10" one line of copy \$7.50  
2 1/2"x10" two lines of copy \$9.00  
on bronze easel—other styles available

"Bronze Tablet Headquarters"

UNITED STATES BRONZE SIGN CO., Inc.  
570 Broadway Dept. B New York 12, N. Y.

J. HERBERT BOLTON, assistant cashier of The Bank of Georgia, Atlanta, was elected president of the Atlanta Retail Credit Association.

The boards of directors of Westchester County National Bank, Peekskill, N. Y., the Crestwood National Bank in Tuckahoe, and National Bank of Westchester, White Plains, have approved plans to consolidate under the name of NATIONAL BANK OF WESTCHESTER, White Plains. The stockholders of the three banks will meet April 1, and if they approve the move, the three banks will open for business on April 11 as NATIONAL BANK OF WESTCHESTER, with main office in White Plains, N. Y.

## C. J. Kirschner

CONRAD JOHN KIRSCHNER, retired banker, industrialist, and civic leader of Hazleton, Pa., died on March 1. He was for 38 years vice-president and cashier of Markle Banking and Trust Co., Hazleton. He was active in the Pennsylvania Bankers Association and served for 10 years on the Executive Council of the American Bankers Association.

CHESTER R. DAVIS, senior vice-president of Chicago Title & Trust Co., was nominated by the President to be Assistant Secretary of the Army.

## Two Names in One Day

OUT in Baldwin, Long Island, the BALDWIN NATIONAL BANK and the PEOPLES STATE BANK of Baldwin closed as usual at 2 P.M. on Friday, March 4. When they reopened four hours later for evening business they were branches of the rapidly growing MEADOW BROOK NATIONAL BANK of Freeport. As this is written, MEADOW BROOK NATIONAL has 17 offices, but is ready to take over two others, the Bank of New Hyde Park and the National City Bank of Long Beach.

BENEFICIAL SAVING FUND, 102-year-old mutual savings bank in Philadelphia, has opened its eighth office close to the \$100-million Penn Center. The new office is the first bank in Philadelphia to have a carpeted banking floor.



W. H. Hill, Jr.



F. Campbell, Jr.

WILLIAM H. HILL, JR., a vice-president of Manufacturers Trust Company, New York, has been assigned to the branch administration department and will supervise 23 of the bank's 37 offices in Manhattan.

FARRIS CAMPBELL, JR., of Bank of America, has been appointed to the corporation and bank relations department of the bank's Los Angeles headquarters. He will be the bank's representative to large business concerns and banks in Fla., Ga., Ala., Miss., La., Okla., Ark., Tenn., Ky., Tex. from Dallas eastward, and southwest Mo.

The EASTON (Pa.) NATIONAL BANK has opened a drive-in branch which is colonial in style. Besides a drive-in window, it has a parking lot for 25 cars, four teller windows inside, and a night depository.

## Burgess-Woods

MRS. HELEN MORGAN HAMILTON WOODS and W. RANDOLPH BURGESS, Under Secretary of the Treasury for Monetary Affairs, were married on March 5 in St. Elizabeth's Memorial Chapel (Protestant Episcopal) in Eagle Valley, N. Y.

Mrs. Burgess, widow of Col. Arthur Woods, once Police Commissioner of New York and later in charge of the restoration of Williamsburg, Va., was given in marriage by her eldest son, Lieut. Col. John P. Woods of Newtown, Conn. She was attended by three small granddaughters.

Leonard R. Burgess, oldest son of Dr. Burgess, was best man for his father. The bridegroom is a former president of the American Bankers Association and of the New York Bankers Association. He was with the Federal Reserve Bank in New York from 1920 to 1938, when he joined the National City Bank of New York as a vice-president.

Mrs. Burgess is the daughter of the late Mrs. Morgan Hamilton and

(CONTINUED ON PAGE 24)





Helping bankers help businessmen is a big part of our job.

## When another viewpoint would be helpful...

*call your man at the IRVING!*

Customers can—and do—come up with questions of every kind. Happily you are equipped to resolve most of them in rapid order. But occasionally a *special question* arises where additional aid or another viewpoint would be helpful.

*That's the time to call your man at the Irving.*  
That immediately brings you his broad experi-

ence and the combined talents of experts in every field of commercial banking plus the facilities of a world-wide network of correspondents.

Your man at the Irving is particularly anxious for you to realize that *any* question—no matter how complicated—will be welcomed. Just get in touch with him—he'll be glad to talk with you.

## IRVING TRUST COMPANY

*One Wall Street, New York 15, N.Y.*

Capital Funds over \$123,000,000

WILLIAM N. ENSTROM, Chairman of the Board

Domestic Banking Division, NOLAN HARRIGAN, Senior Vice President in Charge

Total Assets over \$1,400,000,000

RICHARD H. WEST, President

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## MAIN STREET (Continued)

the late William Pierson Hamilton, a niece of the late J. Pierpont Morgan, and a great-great-granddaughter of Alexander Hamilton. She served for four years in the WAC, rose to the rank of Lieut. Col., and became deputy director of the corps and a member of the General Staff Corps. Later she served as a consultant to the Secretary of War. In 1949, she became director of public liaison of the Economic Cooperation Administration, which administered the Marshall Plan, a post in which she served for two years. She then completed a survey for the Fund for Adult Education of the Ford Foundation.

The wedding was attended only by members of the two families and a few friends, including George M. Humphrey, Secretary of the Treasury, and Mrs. Humphrey; Secretary Oveta Culp Hobby of the Department of Health, Education and Welfare; Robert Woods Bliss, former Ambassador to Argentina, and Mrs. Bliss; David Finley, Director of the National Gallery of Art, and Mrs. Finley; and Allan Sproul, president of the Federal Reserve Bank of New York, and Mrs. Sproul.

HOMER L. BOYD was elected chairman of the board of the National Bank of Commerce, Seattle, Wash., rising from vice-chairman. He succeeds ANDREW PRICE, who was named honorary chairman.

American National Bank, Austin, Texas, wanted to solve the traffic and parking problems of a downtown location without sacrifice of dignity. Here is its \$2,346,000 solution. This 6-story building features a 4-window drive-in—and the top three levels will park 300 cars, with access via spiraling ramp from street level



Banker Van Fleet is shown chatting with high school teachers during a bank party for seniors and their instructors

## Banker-Traveler

PEOPLES Bank of Auburndale, Florida, has a vice-president who's just about as well known the world over as he is in his home town. He's GENERAL JAMES A. VAN FLEET. The General doesn't take much active participation in bank operations, but he always attends board meetings when in town—which he isn't right now; he's in Korea while on a world tour, having arranged to be with his friend Syngman Rhee on March 29, Mr. Rhee's 80th birthday.

The General's not technically a native of Auburndale—he was born in New Jersey while his family was in the north for a short visit to escape a yellow fever epidemic. His

father was president of and built the first railroad in that section of the state, the Jacksonville-Tampa-Key West Railway.

C. W. PALMORE, president of Peoples Bank of Auburndale, describes GENERAL VAN FLEET as "a gentleman of the highest type, and one who makes an excellent hunting and fishing companion."

DUNLAP C. CLARK, first vice-president, Board of Port Commissioners, Port of Oakland, Calif., has been elected vice-chairman of the board of Central Valley Bank of California, Richmond. He was formerly president of Central Bank, Oakland. He's a past president of the Oakland Clearing House Association and was once a member of the A.B.A.'s Executive Council.

## Annabel's Valentine

ANNABEL SAUNDERS has observed A 50th anniversary with Fifth Avenue Bank office of The Bank of New York. Born in Lynchburg, Va., she attended one of the earliest Negro colleges in the South and worked her way through. She had been in the North only a short time when she went to the bank to take over the ladies' section—where she has attended the women depositors ever since—to arrange the flowers, keep the magazines in order, tidy up, sew on a loose button, or take a stitch in a hem. (Mrs. Saunders learned the tailoring trade while working her way through college.) She was the subject of an interview published in the *Bank One*, the bank's

(CONTINUED ON PAGE 26)



# HUSBAND GONE...

## thank heaven the bank saved my home

*How many wives of your mortgage customers will be able to say that about your bank? Will far too many lose their homes as well as their husbands?*

*Today Federal Mortgage Redemption Insurance lets you offer your customers protection against such tragedy at very low cost.*

*Progressive banks throughout the country have proven the strong customer appeal of Federal's unique insurance plan. These banks appreciate its simplicity—its lack of costly bookkeeping. You see it's a plan designed by bankers for bankers from almost 50 years of experience in the personal protection field. Why not make it a part of your community relations program? Simply write us for Federal's Mortgage Redemption Plan Portfolio today.*

**COMPLETE CREDIT LIFE AND DISABILITY PLANS ALSO AVAILABLE FOR YOUR INSTALLMENT LOAN DEPARTMENT.**

# FEDERAL

## LIFE and CASUALTY COMPANY

### Federal Offers You:

**A Custom Designed Plan** based on careful study of your operations • **Proven Customer Appeal** • **Simplified Streamlined Procedure** • **Complete Flexibility** including Health and Accident coverage • **Prompt Service** • **All Promotional Tools.**

### HIGHEST RATING

See Best's and Dunne's for reasons why Federal enjoys their unqualified recommendation.



### PERSONAL PROTECTION SINCE 1906

**JOHN H. CARTON**  
President

**HAROLD L. BUCK**  
Vice President and Manager  
Credit Insurance Division

WOLVERINE FEDERAL TOWER • BATTLE CREEK, MICHIGAN • REGIONAL SERVICE OFFICES FROM COAST TO COAST



We're showing a

# Picture of Progress

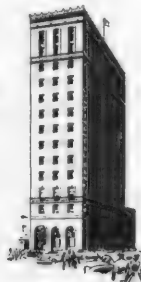


The past twenty years have been years of achievement for Continental Bank. In 1935 our total resources were \$13,392,911.06. By December 31, 1954, our total resources had reached \$71,146,083.05.

This increase, we believe, shows real progress. With our knowledge of the Intermountain West, backed by more than 46 years of progressive banking experience, we at Continental Bank are well-equipped to help you whenever you have business in our area.

## The Continental Bank and Trust Company OF SALT LAKE CITY

MAIN OFFICE: 200 South Main Street  
CENTRAL BRANCH: 1575 South Main Street



*Growing with the Intermountain West*

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

## MAIN STREET (Continued)

employee magazine, under the title "A Valentine for Annabel." Her anniversary was on Valentine's Day.

Of her years with Bank of New York, MRS. SAUNDERS said: "Grover Cleveland said of his married life that it was one grand, sweet song. That's how I feel about my years with the bank."

Preliminary agreements looking toward a merger of the 1ST NATIONAL BANK of Bloomington, N. J., with the 1ST NATIONAL BANK AND TRUST COMPANY of Paterson have been announced. The four offices of the Bloomington would operate as branch offices of the Paterson bank, giving it a total of 12 offices. The merger is subject to the usual approvals.

A new drive-in office has been opened by COUNTY TRUST COMPANY in White Plains, N. Y. The bank now has 29 offices in 20 communities. The new office is the 11th drive-in, three of which are in White Plains.

PETER M. WILSON, formerly a life insurance underwriter, has joined the trust department of the National Bank of Westchester, White Plains, N. Y., as estate planning representative.

## Young Bankers Convene

A CONFERENCE of Junior Bankers was held in Columbia, S. C., by the South Carolina Bankers Association, Junior Bankers Section.

The Association pointed out that the primary objectives of the conference were "to bring about a greater appreciation on the part of the junior bankers of our state of the importance of our banking system and the vital role it plays in our economy both on a state as well as national level; to present them with an opportunity to discuss common problems experienced in the day-to-day operation of their banks; and to promote a greater degree of fraternity among our younger bankers."

The conference opened with a social hour, dinner, and dancing on Monday evening, February 21. On Tuesday morning the junior bankers were addressed by the Hon. M. S. Szymczak, member of the Board of





This is the new branch with drive-in of Carolina Savings Bank, Charleston, S.C.

Governors, Federal Reserve System; and by Arthur H. Jones, vice-president, American Trust Company, Charlotte, N. C. Following luncheon there were panels on credit and on operations.

While several of the state bankers association have devoted sections of their annual conventions to the junior bankers, so far as BANKING can ascertain, this is but the third conference ever designed for junior bankers exclusively. The first was held in North Carolina in 1953; the second in Maryland in 1954.

MARION D. BRETT has been named president of the Citizens Bank of Hattiesburg, Miss. MR. BRETT comes to the new position from Clarksdale, Miss., where he was executive vice-president and trust officer of the Bank of Clarksdale. He's a past president of the Mississippi Bankers Association and has served as State Bank Comptroller in the state's Department of Bank Supervision.

### Elected in Jersey

FREDERIC S. BAYLES, vice-president, Garden State National Bank, Teaneck, has been installed as president of the Mortgage Bankers Association of New Jersey. Last year he had served as first vice-president, and earlier was second vice-president and treasurer. For five years he was its executive secretary. He's a past president of the Bergen County Bankers Association and of Bergen County Chapter, American Institute of Banking. He is currently a member of the public relations committee of the New Jersey Bankers Association. Other officers elected by the MBA of NJ include: *first vice-president*, PHILIP ZINMAN, president, South Jersey Mortgage Co., Camden; *second vice-president*,

## EXECUTIVE SWIVEL ARMCHAIRS



65 executive posture chair. Luxurious proportions. Deep foam rubber cushions. Designed for the top man. **\$197<sup>25</sup>**



1800B executive swivel armchair. Answer to the need for low price with full measure of traditional Harter quality. **\$64<sup>00</sup>**

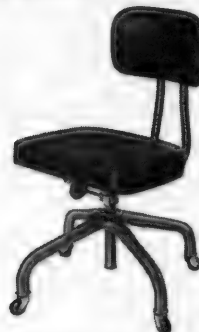
## CHECK THIS GUIDE TO CHAIR STYLES

### SPRING-BACK CHAIRS



57-S is typical of the Harter "Comfit" line that also includes saddle seat styles and models with tubular steel bases. **\$52<sup>75</sup>**

### RIGID-BACK POSTURE CHAIRS



26 secretarial posture chair. Easy handwheel controls. Quality construction at only **\$26<sup>90</sup>**

*All prices slightly higher South and West*

### SALES CHAMP



C-1500 swivel armchair. More executives have found comfort in this than any other office chair. Clean masculine lines. **\$81<sup>50</sup>**

## HARTER STEEL CHAIRS



**NEW** informative booklet, "Posture Seating Makes Sense," tells what you want to know about modern executive seating for efficiency, comfort and good health.

Harter Corporation  
408 Prairie St., Sturgis, Michigan

Send illustrated literature and name of nearest Harter dealer: ☐ "Posture Seating Makes Sense" —Executive Chairs, ☐ Reception Room, Conference Room Chairs, ☐ Stenographic Chairs.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



## New Improved Tellers' Vault Truck



New streamlined tubular steel frame—30" high

New heavy gauge metal shelves—18" x 31"

New large, smooth-rolling wheels

Best for busy banks. Exclusive, improved features. A teller's cash books and materials go easily and all at once into the vault. Saves time... promotes efficiency. Shelves have 1½" raised edge to prevent spilling. Rear wheels swivel. Has hard-wearing, soft-tone aluminum finish.

Shipped assembled - \$49.50

Order direct today from

**North Branch Chair Company**  
10 Brown Street North Adams, Mass.

**"this is high fidelity"**

if you love music—you'll want it!

Here's your guide to an easy understanding of Hi-Fi—the modern revelation in musical enjoyment. This 64-page book shows you how to select a Hi-Fi music system for your home at minimum cost. Tells you what to look for and shows many handsome, practical installation ideas.

Offers you the world's largest selection of complete systems and individual units from which to make your money-saving choice. If you love your music, you'll want this helpful, objective book. Write for it today—it's FREE.

**ALLIED RADIO**  
America's Hi-Fi Center

**— FREE BOOK —**

Allied Radio Corp., Dept. N-45  
100 N. Western Ave., Chicago 80, Ill.

☐ Send FREE "This Is High Fidelity" book

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

ROBERT E. SMITH, second vice-president, Mutual Benefit Life Insurance Company, Newark; *treasurer*, FREDERICK C. STOBÆUS, vice-president, National Mortgage Company, Newark. CHARLES J. HORN, vice-president, The National State Bank of Newark, was reelected *executive secretary*.

NATIONAL NEWARK & ESSEX BANKING COMPANY, Newark, N. J., and COMMUNITY TRUST COMPANY of Bloomfield, N. J., have announced plans to combine.

FORREST M. ORR was elected president of Citizens State Bank of Columbia City, Ind., filling the vacancy caused by the retirement of JAMES D. ADAMS.

EDWARD A. ROLLINS and HARRY H. BOCK advanced to vice-presidencies at the Franklin Savings Bank, New York. MR. ROLLINS is an alumnus of The Graduate School of Banking.

## Bankers Help Cambodia

TWO financial experts, one from the United States and one from France, are to spend six months in Cambodia for the United Nations Technical Assistance Administration. Cambodia asked for assistance in connection with the establishment of its new Central Bank.

From the United States goes FRANK D. ROSEBERY who in the past few years has held a number of senior economic and financial posts with the Mutual Security Agency in Indochina and Turkey. He will concentrate on matters pertaining to Cambodia's external finances.

From France goes MAX G. BARRIERE to advise on the organization of the Central Bank. He takes leave of absence from the headquarters of the Bank of Indo China for this assignment. Much of his career has been in Southeast Asia.

Toledo (Ohio) Trust Company has announced five promotions in its trust department staff. They are: C. H. KENT, JR., vice-president and trust officer; J. A. MANN and F. G. PLETZ, assistant vice-presidents, assistant secretaries, and trust officers; JOSIAH T. HERBERT, assistant vice-president, assistant secretary, and trust officer; PAUL HEMSOY, assistant secretary.



J. L. McElney



Edw. J. Colbert

J. L. MCELNEY was advanced to vice-president of California Bank, Los Angeles.

EDWARD J. COLBERT is now a vice-president at Manufacturers Trust Company, New York.

## Denby Retires

FRED L. DENBY, chairman of the board of Security National Bank, St. Louis, has retired after 53 years in St. Louis banking. He started as a clerk in the banking department of the St. Louis Union Trust Company in 1902. He was one of the co-founders of the Security National Bank in 1921 and served as vice-president and cashier until he became president in 1937. He became board chairman in November 1954 and was succeeded by JOHN E. DONOVAN as president.

MR. and MRS. DENBY plan to make their home in Estes Park, Colo.

1ST NATIONAL BANK AND TRUST COMPANY of Paterson, N. J., has offered to help property owners who will have to relocate their homes because of construction of the Garden State Parkway extension. The bank has had experience with this

Fred F. Florence, president of the Republic National Bank of Dallas and vice-president of the A.B.A., here presents checks to high school student winners in the bank's annual feature story writing contest







Wm. D. Ireland



Edw. L. Bigelow

problem before and offers the benefits of this experience to people who need help.

## Merge in Boston

CONSOLIDATION of the Second National Bank and the State Street Trust Company, Boston, has been completed and the resulting institution is in operation as the SECOND BANK-STATE STREET TRUST COMPANY. EDWARD L. BIGELOW is chairman of the board; WILLIAM D. IRELAND is president. The entire staff of both combining banks and all six present offices will be continued.

LORIMER D. MILTON, president, Citizens Trust Company, Atlanta, Ga., has been appointed by President Eisenhower to the Committee for the White House Conference on Education.

JOHN T. LIESER and EUGENE H. WALLACE are now vice-presidents at Central National Bank of Cleveland. Both are trustmen. MR. LIESER is an alumnus of The Graduate School of Banking; MR. WALLACE has long been active in A.I.B.

At Reading (Pa.) Trust Co., HAROLD C. WANNER advanced to vice-president and trust officer; GEORGE N. YEAGER, to vice-president.

GEORGE E. SCHMITT has been named vice-president and auditor of National Bank of Westchester, White Plains, N. Y.

ALVIN E. ROEMERSHAUSER was promoted to vice-president at The Whitney National Bank of New Orleans. He's national president of the American Institute of Banking.

JUDGE ALEXANDER DENBO has been elected president of the Mechanics National Bank of Burlington, N. J., succeeding ROBERT TURNER who held the post for 26 years. MR. TURNER was named to the new position of

# INTRODUCING

THE NEW  
ROYAL COMPANION

*Sign-O-Meter*

(Check Signer)

AND DATER

FOR USE WITH ANY F & E ROYAL PREMIER  
ELECTRIC CHECK PROTECTOR



Nothing to  
Attach or Connect

PROTECTS • SIGNS AND DATES  
IN ONE OPERATION

Amounts up to \$1,000,000.00  
With full 8-Bank Keyboard

Accommodates single, duplicate or triplicate checks

Manufactured by

THE HEDMAN COMPANY

CHICAGO 14, ILLINOIS

THE SYMBOL  
OF QUALITY



THE STANDARD OF  
CHECK PROTECTION

(Mail Coupon)

THE HEDMAN COMPANY  
1158 W. Armitage Ave.,  
Chicago 14, Ill.

B 4-55

Please send without obligation complete information  
on the ROYAL COMPANIONS.

Individual .....

Firm .....

Address .....

City..... Zone..... State.....



chairman of the board. JUDGE DENBO had been executive vice-president.

BIG HORN COUNTY STATE BANK, Hardin, Mont., held an open house on Lincoln's Birthday to show its completely new quarters to the public. There were contests, prizes, souvenirs.

MARY G. ROEBLING, president and board chairman of the Trenton (N. J.) Trust Co., and IRMA ROBINS, assistant public relations director of Franklin National Bank, Franklin Square, N. Y., were featured on a recent Sloan Simpson TV show. They discussed "Women and Banking."

HERBERT C. NUENDORF was appointed manager of the consumer credit department of the First National Bank of Jersey City, N. J. ANTHONY S. PIZZANO, JOSEPH N. GRANELLO, and RUSSELL E. GREENE were named assistant managers.

GEORGE H. NIEPORT, for 32 years with Harter Bank & Trust Company, Canton, Ohio, has joined Citizens National Trust & Savings Bank, Riverside, California, as an assistant trust officer. He's an alumnus of The Graduate School of Banking, and holds the graduate certificate of the American Institute of Banking.

CALIFORNIA BANK, Los Angeles, has acquired by merger the First National Bank of Pomona and the California Trust Company, and now has a total of 48 offices.



R. W. Shannon



A. F. Mayne



Paul R. Swab



A. R. Burkholder

A. F. MAYNE has been appointed associate general manager, a new position, at The Royal Bank of Canada, Montreal. R. W. SHANNON was named assistant general manager.

WILLIAM J. TAGGART, JR., and WALTER T. WHITE advanced to vice-presidencies of Equitable Security Trust Company, Wilmington, Del.

## FRS Advisory Council

EDWARD E. BROWN, board chairman of the First National Bank of Chicago, was reelected president of the Federal Advisory Council of the Federal Reserve System for 1955. ROBERT V. FLEMING, president and chairman of Riggs National Bank of Washington, D. C. was elected vice-president. Directors elected were: WILLIAM D. IRELAND, president, Second Bank-State Street Trust Company, Boston; HENRY C. ALEXANDER, president, J. P. Morgan & Co., New York; and FRANK R. DENTON, vice-chairman, Mellon National Bank and Trust Company, Pittsburgh. HERBERT V. PROCHNOW, vice-president, First National Bank of Chicago, was reelected secretary.

PAUL R. SWAB and ABRAM R. BURKHOLDER were advanced to vice-presidencies at Keystone Trust Company, Harrisburg, Pa. These are additional titles, Mr. SWAB continuing as secretary and trust officer, and Mr. BURKHOLDER retaining the title of treasurer.

WILLIAM A. CRAIG has been elected vice-president of Love Field State Bank, Dallas, Texas. He had formerly been in banking but most recently was associated with the Burroughs Corporation.

MACKARNES H. GOODE, formerly manager of public relations and advertising of Irving Trust Company, New York, has joined Farley Manning Associates, New York public relations agency, as an account executive and member of its plans board.

## Returns to Bank

ROBERT CUTLER, who left his job as president of Old Colony Trust Company, Boston, early in 1953 to become special assistant to the President on national security matters, returns to his bank as of April 1. He was tendered a farewell dinner at the White House by the President and Mrs. Eisenhower.

JACK MORFEE, a vice-president of the Gary (Ind.) National Bank, has received the "outstanding young man" award of the city's chamber of commerce.

INDUSTRIAL NATIONAL BANK of Dallas finds that customers will change lifetime habits of indoor banking to take advantage of convenient outdoor facilities. It kept careful track of transactions at its new drive-in, and there were big increases each month for six months.

TEXAS NATIONAL BANK of Houston is to enlarge its new automatic parking garage and motor bank—which is still under construction. An

Members of Chicago Chapter, American Institute of Banking, on a visit to the plant and model homes of National Homes Corporation, Lafayette, Indiana







Hilda Kollmann



Dan W. Laughlin

adjoining property has been purchased to add additional facilities and additional parking area.

At State Bank of Blue Island, Illinois, these promotions have been announced: DAN W. LAUGHLIN, vice-president and secretary; HILDA H. KOLLMANN, vice-president and cashier; JOHN E. SULLIVAN, vice-president. MR. SULLIVAN serves also as vice-president of Standard State and Pullman Trust & Savings Bank, Chicago. MISS KOLLMANN is believed to be the only woman cashier of the Chicago area banks.

CHARLES F. FRENCH, JR., has advanced to vice-president at Manufacturers Trust Company, New York.

### Kotouc Honored

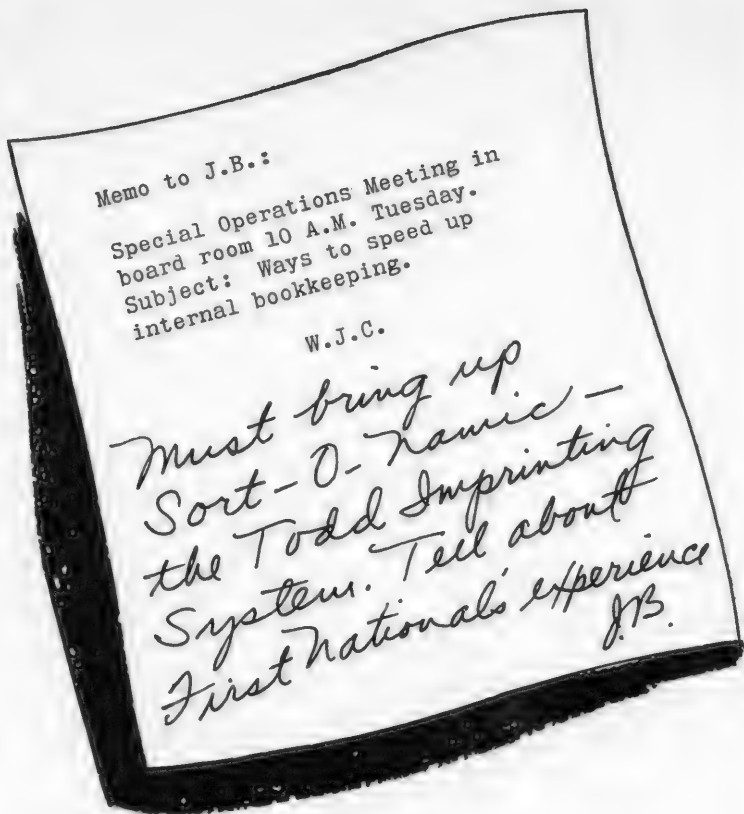
NEBRASKA'S unicameral legislature took time out from its busy schedule recently to honor three birthdays: Abraham Lincoln; the Boy Scouts, and a bank.

OTTO KOTOUK, chairman of the board of Home State Bank, Humboldt, Nebr., is a Democratic Senator. Republican Senator Earl Lee took the floor to do him honor on the 40th anniversary of his founding of the bank.

WARREN K. YOUNG, heretofore comptroller of the Denver National Bank, has been named comptroller of the *Denver Post*. Mr. Young has been active in NABAC, the Colorado School of Banking, and on the Board of Regents of The Graduate School of Banking.

PAUL A. PEASLEY was named vice-president and trust officer of the Stamford (Conn.) Trust Company. NORMAN M. HAUGHS was advanced to trust officer.

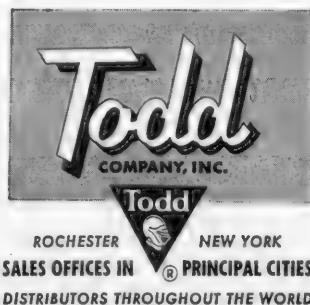
It is planned to merge the Prospect Park State Bank, Delaware County, Pa., with the BROAD STREET  
(CONTINUED ON PAGE 132)



You'll be doing your customers, your stockholders and your bank a great service by looking into the Todd Sort-O-Namic System for imprinting and sorting checks. With the Todd Sort-O-Namic System your bookkeeping department can sort all checks swiftly, accurately, efficiently. There is no problem of deciphering illegible signatures.

Sort-O-Namic cuts check-sorting time in half—reduces sorting errors by 85%—shortens training periods for central proof machine operators as much as 20%.

If your bank is troubled with mis-sorts, mis-posts, mis-filings, Sort-O-Namic is the answer.



THE TODD COMPANY, Inc., Dept. B, Rochester 3, N.Y.  
Please send me complete information about the Sort-O-Namic Plan.

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

By \_\_\_\_\_

B-4-55





# State Tax Reports...



- State taxation once was easy. The property tax, a franchise tax, and a few license taxes made up the picture. But now all this is changed.
- New and drastic forms of taxation have been created, rates have skyrocketed, more and still more tax money is demanded. Today, as never before, correct, continuing tax information is vital to effective, economical business management. And not just at return time, but all through the year. Tax control must be carefully planned, plans constantly revised to match the swift pace of present-day tax changes.
- For these basic reasons Tax Men everywhere welcome the special assistance of CCH's State Tax Reports.
- Forty-eight states and the District of Columbia are each individually covered by CCH's State Tax Reports, each state the subject of its own reporting unit. Swift, accurate, convenient, the informative regular issues of each unit keep your tax facts and information constantly up-to-the-minute. Coverage includes new laws, amendments, regulations, rulings, court and administrative decisions, return and report forms—in short, everything important or helpful in the sound and effective handling of corporate or individual state taxes and taxation.

Write for Full Details of Reporting for Your State

**COMMERCE CLEARING HOUSE, INC.**  
PUBLISHERS OF TOPICAL LAW REPORTS

CHICAGO 1  
214 N. MICHIGAN AVE.

NEW YORK 36  
522 FIFTH AVE.

WASHINGTON 4  
1329 E STREET, N. W.

**CCH TOPICAL LAW REPORTS**



## The OUTLOOK and CONDITION OF BUSINESS

**S**TATISTICALLY, politically, and sentimentally, the over-all prospect is good, barring serious strikes in the steel and automobile industries at mid-year when contracts expire.

Some soft spots still exist, such as low commodity and farm prices and unsatisfactory conditions in the textile field.

Actually the only real concern in official and other well informed quarters centers in the continuing boom in housing and automobiles, because what happens to them directly affects steel, glass, rubber, and all the industries catering to the public's appetite for better living.

Housing starts in January were at an annual rate of 1,424,000, while formation of new households is now about 600,000 a year. This gap of 800,000 worries many people. Are there so many obsolete dwellings that this rate of building is necessary?

The fact is that personal income after taxes rose 1.4% in 1954, while mortgage debt on 1- to 4-family homes increased almost 14%. "Only in the depression years of the '30s has such debt been so high in relation to income," says Homer J. Livingston, president of the American Bankers Association and president of the First National Bank of Chicago.

\* \* \*

**T**HE long-awaited report of the Hoover Commission, covering Government lending and related agencies, is now in the lap of Congress. (See also page 37.)

The report recommends a sweeping curtailment of Government lending, insuring, and guaranteeing activities, involving more than 100 agencies and about \$240-billion. The suggested changes would affect almost all segments of the public—farmers, businessmen, veterans, and institutions of learning.

The controversial nature of the report and the long debate it promises are forecast by the fact that the commission itself is divided eight to five on whether to approve it.

Briefly, the report recommends the termination of some agencies, the curtailment of others, the merging of some into private enterprise, and putting some on

a self-supporting basis. The commission estimates an annual saving of \$200,000,000 and a reduction of the national debt by \$7,332,943,000.

Because of its importance to the long-term business outlook, **BANKING** publishes here the text of the recommendations:

### *Text of Hoover Commission's Recommendations*

#### HOUSING

[1] That the law limiting the right of the Federal Savings and Loan Insurance Corporation to repay the federally-owned capital stock be repealed and that the Federal Savings and Loan Insurance Corporation be required to surrender to the Treasury \$66,800,000 of the Government securities that it holds either (1) in full repayment of the remaining investment of the Government in the capital stock of the corporation, or (2) in exchange for a non-interest-bearing credit in an equivalent amount.

[2] That either the authority to transfer funds given to the Administrator of the Housing and Home Finance Agency, in so far as the Home Loan Bank System is concerned, be rescinded, or, alternatively, that the Home Loan Bank System, including the Federal Savings and Loan Insurance Corporation, be given independent status similar to that of the Federal Reserve System.

[3] That the authorization of the Secretary of the Treasury to lend to the Home Loan Bank System \$1-billion and the Federal Savings and Loan Insurance Corporation \$750,000,000 be carried on the Treasury statement as contingent liabilities.

[4] That no person be permitted to serve as a member of the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation at the same time.

[5] That studies be made of prospective foreclosure and loss experience of all phases of the Government's housing programs.

(CONTINUED ON PAGE 163)



# How to Make a Profit on Savings

## A 7-Point "Booster" Program for Thrift and Compound Interest Departments

ALLAN HERRICK

The author is advertising manager of the Security-First National Bank of Los Angeles.

IF THE earnings figures of your savings department last year show a dull grey color, or even a faint red tinge, instead of a good healthy black, this may be the time for you to give the savings operation in your bank additional scrutiny. For one thing, it is spring, and in the spring a banker's fancy naturally turns to thoughts of where this year's profits are coming from. A part of them ought to come from your savings department; and if, in your case, the prospects seem doubtful, you may wish to consider some of these first-aid measures:

### (1) Check Your Operating Costs

Salaries, floor space, light, heat, paper work, investment supervision, management time—all are less in the savings. If this fact is not reflected in your earnings figures, it might be well to check up on your savings operating costs. Several comprehensive studies on this subject have appeared in banking periodicals recently.

The supporting staff required for a savings operation is small. Move the ledger cards close up behind the tellers and you are practically in business. By way of contrast, the commercial side needs many supporting services—bookkeepers, batch clerks, messengers, and what not. In our bank the time of one employee is needed for each \$1,800,000 of savings deposits. On the commercial side, one employee can handle only \$545,000.

Savings deposits are a steady influence on a bank's flow of funds. They are much less volatile than commercial deposits and less subject to frequent and heavy withdrawals. They provide a base of funds from which long-term and high-yield investments can be made.

### (2) Reappraise Your Facilities

Where is your savings department located? How convenient is it to the public? What hours is it open? Was your bank location chosen with the savings business in mind, or because it was close to commercial borrowers? To be used, your savings facilities must be close at hand, convenient, and clearly marked.

It's a hard fact to swallow, but the strength, prestige, influence, and liquidity of your bank rate quite low with the customer today. Convenience is first with him. All the surveys show it. He goes to the bank that is nearest, has the services he wants, treats him in a friendly manner. He doesn't read the *Wall Street Journal*, cannot analyze a financial statement. He relies on the FDIC for safety, not your capital structure. He is not going miles off his beaten path to do business with you, no matter who founded your bank. He never heard of the man anyhow. But when he went in with his wife to get a loan on the car, your people were very nice to him. He has kept his savings account with you ever since.

**A FRIEND TO SAVERS**

For more than half a century, this bank has been a friend to thrifty folk, seeking to better their financial status. Through the years we have offered a constantly expanding savings service, with many types of accounts, and many savings helps and aids. Today we offer:

Term Savings Accounts	Statutory Trust Accounts
Joint Savings Accounts	Automatic Savings Accounts
Christmas Club Accounts	Vacation Club Accounts
Purpose Club Accounts	Allotment Accounts

For saving in the home we offer a variety of small coin banks, metal and plastic, pocket savers for small coins, and other helps. Printed matter provided by the bank includes a household budget book, a slide-rule device indicating typical expenditures for the various items of household expenses, and booklets dealing with all aspects of saving in the home.

You are invited to open a savings account with us. Any amount is sufficient to start.

**SECURITY-FIRST NATIONAL BANK**



The customer's view being what it is, the convenience of your facilities is of major importance to the future of your savings business. Remember, too, that a large share of savings patronage comes from women. Convenience is of more importance to them than to men. So are light, air, furnishings, color, decor, and courtesy. Are we not smart to tailor our service to the customer's point of view, so long as it can be done with safety?

**(3) Pay the Interest You Can Afford**

By a wide margin, interest is the largest item of expense in the operation of a savings department. Because of its importance, it needs the best and most careful attention.

In determining the interest rate you will pay, consider first of all your bank's loan policy. If, in your best judgment, you prefer to be only 30% loaned, and put the remaining 70% of the customer's dollar in cash and Governments, it is no use crying over the fact that this limits your growth competitively. You are not in a position to offer an investment return in any case. Accept that at the start. Savings accounts are an accumulation of funds for a variety of needs, earmarked in the savers' minds for that purpose.

The last man who should have anything to do with the determination of the savings rate in your bank

is your competitor. He won't have to face your stockholders at the annual meeting. He won't have to explain to the examiners about the securities you own or the loans you made, or the losses you took, or the earnings you didn't get. But you will. If the policies you feel necessary to the permanent security of your bank won't permit you to pay the going rate on savings, don't pay it.

Remember, however, that the most important factor in the savings business, CONVENIENCE, is on your side. The customer is already in your bank. He is sold on your policies. He wants to do business with you. If he has savings to place, the simplest, easiest, most logical, and reasonable thing for him to do is to walk over to your savings department and open an account. And don't forget that there are millions of family savers in this country putting money away regularly for necessary family purposes, to whom the rate is of distinctly secondary concern. With a modern, progressive service, conveniently at hand, you can reach this group with ease.

**(4) Increase Your Service Charges**

The savings customer who has more than average activity in his account creates additional expense. Who should pay for it? Logically, he should.

Some banks allow six withdrawals from a savings account over a six months' period. The customer can make them all in one month, if he wishes. But, the six cost 25 cents each.

On the face of the coupon book used by our various savings clubs is a statement that any member failing to complete his club payments is subject to a 50-cent service charge. If a customer loses his savings pass-book he pays a dollar for another one, 50 cents if it is a club book. The depositor pays for money orders, drafts, cashier's checks, and similar items the same as any customer. He also pays for a home savings bank, if he wants one. We have sold, in three years, over 60,000 metal calendar banks.

Service charges on checking accounts have aided, rather than impeded, the rapid use and growing popularity of checking services. Spruce up your savings department, give it a fresh, modern look, broaden the service, and charges for extra tasks performed should be fully as acceptable as in the commercial department.

**(5) Push Your Allied Lines**

Savings customers create a demand for many allied, profitable services of your bank — auto loans, mortgage loans, travelers' checks, personal loans, safe deposit boxes, money orders, home modernization

How people of average means can save to secure the 20 or more major articles and services that make up the American standard of living is the subject of a 40-page booklet now being issued by the savings department of the Security-First National Bank of Los Angeles. The bank's motto is "Be a Friend to the Saver." Illustrations show covers and sample pages from the book

HOME PURCHASE SAVINGS PLAN

Write your name above

Price of Home Desired \$

Amount of Down Payment Required \$

Impounds (Insurance, Taxes, Escrow, Etc.) \$

Amount of Monthly Loan Payment \$

Moving Expenses \$

Total Cash Outlay to Move In \$

SAVINGS PROGRAM TO FINANCE PURCHASE OF HOME

PLAN	AMOUNT TO DEPOSIT IN SAVINGS ACCOUNT	TOTAL SUM ACCUMULATED
19. 1st Quarter	\$	\$
2nd Quarter	\$	\$
3rd Quarter	\$	\$
4th Quarter	\$	\$
19. 1st Quarter	\$	\$

HOMES

More than half of all American families own their homes, a luxury impossible in countries which do not recognize the right of private ownership. In his home, the American enjoys privileges guaranteed him by the Constitution and the Bill of Rights. "The right of the people to be secure in their persons, houses, papers and effects . . . shall not be violated," the Fourth Amendment reads.

The value of a home which people in various incomes can reasonably afford is shown in the table below:

YEARLY INCOME	PRICE HOME YOU CAN AFFORD
\$3,000	\$ 7,500
4,000	10,000
5,000	12,500
6,000	15,000

Widespread use of the "amortized" home-loan, beginning about twenty-five years ago, has effected a revolution in home-ownership. (An amortized loan is one in which principal and interest are paid in small



## A MODERN APPROACH TO SAVINGS PROFITS

### Seven Keys to a Satisfactory Operation in the Savings Department

- |                                |                                     |                            |
|--------------------------------|-------------------------------------|----------------------------|
| (1) Check Your Operating Costs | (3) Pay the Interest You Can Afford | (6) Broaden the Service    |
| (2) Reappraise Your Facilities | (4) Increase Your Service Charges   | (7) Study Your Advertising |
|                                | (5) Push Your Allied Lines          |                            |

and repair loans, many others. Are these allied lines readily available at your bank?

If you have read the stories of the recent big-time mergers in the banking field, you will know that many of our leading bankers feel these new, modern services are very important to the earnings statement.

I have a banker friend who says, "I have no quarrel with those who want to offer all the new services. That is their own business. In our case, we happen to like commercial banking. We think we can go further by concentrating on the special needs of the commercial customer."

Well, maybe they can and maybe they can't. What may happen is that their commercial customer will go to bank "B" for a mortgage loan, bank "C" for an instalment loan, bank "D" for the children's school savings accounts, bank "E" for a family trust, bank "F" for his wife's Christmas Club, and so on. The odds are that somewhere along the line the commercial customer will meet some very congenial people. Result? Exactly what you think. A lot of bankers feel an institution with only one type of service is in a vulnerable position today. Particularly if a basic service like savings is neglected or missing.

#### (6) Broaden the Service

How has the service of your savings department been broadened in recent years to keep pace with the advancing tempo of our times? Do you have a complete selection of thrift items on your shelves for the customer's consideration?

I have before me the catalog of services issued by the savings department of a large commercial bank

in the West. It offers term savings accounts and certificates of deposit, just as it did years ago. But in addition it offers a savings club for pre-school children, school savings for grammar school students, a Christmas Club, statutory trust accounts, an all-purpose club, survivorship accounts, allotment savings for members of the Armed Forces, a vacation club, and automatic savings for customers who wish the bank to make their payments for them.

Does your savings department offer this complete variety of savings services to meet the needs of today's customers?

Make sure you are not harboring in your mind a few early assumptions about these newer services which experience has shown to be false. Christmas Club members do not spend all their savings for holiday baubles—if they did no bank in the country could afford a Club.

Perhaps one reason your savings department is stagnant is the fact that nothing new has happened in it for years. Why not offer a few new services, just to increase public interest and let people know you want the business and are prepared to handle it?

#### (7) Study Your Advertising

Is the advertising of your savings department in line with the best available thought and experience? Does it stress what you are equipped to do for the customer? Recent studies show that it is wasteful to tell the customer he should save more. He knows this already. His problem is *how*.

Expenses swarm upon today's householder like locusts. The car is getting older. The children require

more and more for education. The house needs repairs, the family needs a vacation, everyone needs clothes. The lowered cost of living is apparent only to the statisticians.

What the harassed savings customer wants from his bank is HELP, GUIDANCE, COUNSEL and SERVICE. At our bank, we try to give it to him. We offer a whole armful of material designed to assist him in solving financial problems in the home. We offer a household expense budget book, together with a booklet of instructions on keeping financial accounts. We publish books on financing the new baby, fixing Junior's allowance, and calculating how much should go for rent, food, and 12 other major items of family expense.

Not only the quality, but the amount, of your savings advertising should come in for scrutiny. Have you done enough of it to support your savings operation? Remember that the recent annual surveys of advertising emphasis conducted by the American Bankers Association have shown thrift in first place.

TO BANKERS a successful savings operation brings many worth-while satisfactions other than the material profit involved. To see families succeed, improve their lot in life, accomplish worth-while family objectives—these bring their own reward.

Education, travel, opportunity in business, a reserve against illness and misfortune, a home—all have come to millions of families through use of the services that the savings banker provides.

To place so valuable a service on a profitable and satisfactory basis within the bank is a project to which any banker can well dedicate his most conscientious effort.





HARRIS & EWING

Secretary of the Treasury Humphrey (right) with Senators Williams (left) and Byrd. The Secretary took issue with the Majority leadership on its tax deduction and certain other proposals

## Hoover Commission . . . Holding Company Legislation . . . Market Investigation

LAWRENCE STAFFORD

**F**AR-REACHING proposals for wiping out some \$200,000,000 of hidden subsidies and for returning several billions of Federal investments in Government lending and insuring activities were recommended by the new Hoover Commission in one of the outstanding developments of March. (See page 33.)

Another main development was that bank holding company legislation started on its possible way to enactment by this Congress, with hearings before the House Banking and Currency Committee.

There were 48 specific recommendations in the Hoover Commission report on Federal lending and insuring activities. It is noted that these were the ideas of the full commission. Another report, which will not be summarized at this time

to avoid confusion, was of the task force on lending agencies, the study and analysis group which submitted the factual data and recommendations, some of which were and some of which were not accepted by the full commission.

In the main, the principal target of the commission consisted of both the hidden and open subsidies of the Federal lending activities, and the need for restoring close Congressional control and audit of their business, and of the desirability of tightening up generally on diverse and sometimes loose standards of credit.

The principal classes of *general* recommendations were the following:

(1) That the Secretary of the Treasury charge lending agencies a

rate on Federal funds which they use sufficient to reimburse the Treasury at the going rate of interest

(2) That the lending agencies charge a rate of interest or other fees not only sufficient to pay the going rate but also to pay for the administrative expenses, and in some cases also to provide reserves as well. It was noted, for instance, that REA charges only 2% on long-term money.

(3) That, where possible, Federal capital should be returned to the Treasury, or, if this is not done, agencies holding Federal securities upon which they collect interest ("a hidden subsidy," the commission observed) should be compelled to exchange these holdings for a non-interest-bearing credit.

(4) Lending policies of all Fed-





HARRIS & EWING

The Federal Open Market Committee at a recent Washington meeting. *Left to right:* Governor J. L. Robertson; W. D. Fulton, president, Federal Reserve Bank of Cleveland; Watrous H. Irons, president, Federal Reserve Bank of Dallas; C. E. Earhart, president, Federal Reserve Bank of San Francisco; Governor M. S. Szymczak; Allan Sproul, president, Federal Reserve Bank of New York; Board Chairman William McC. Martin, Jr.; Governor C. Canby Balderston; Hugh Leach, president, Federal Reserve Bank of Richmond; Governor James K. Vardaman, Jr.; and Governor A. L. Mills, Jr. Mr. Martin has just been designated by the President to continue as chairman after his present chairmanship term expires this month. Mr. Balderston has been named vice-chairman

eral activities should be coordinated with Treasury monetary policy. This should be done by placing ex-officio a representative of the Secretary of the Treasury on all boards or commissions operating lending, insuring, or guaranteeing activities.

(5) There should be a strengthening of reporting of activities, a strengthened supervision, and a better audit by the General Accounting Office.

(6) There should be more "mutualization" of the Federal Housing Administration, banks for cooperatives, Federal Intermediate Credit banks, Rural Electrification Administration, and the Federal National Mortgage Association. By this the commission meant that there should be more capital and cost paid by participating borrowers or borrower associations.

(7) The Treasury should list among its contingent liabilities the \$3-billion the FDIC, the \$1-billion the Home Loan banks, and the \$750,000,000 the Federal Savings and Loan Insurance Corp., can call from the Treasury, under various contingencies, to lend or invest in such activities.

(8) More activities should be brought under the Government Corporations Control Act.

(9) The Government Corpora-

tions Control Act should be amended to provide greater uniformity of standards, requirements, and practices by Government lending activities.

#### Report Highlighted

There were a number of highlights to the report.

According to the report, there are now 104 Federal entities, some incorporated and some not, engaged in lending, guaranteeing, or insuring. They have contingent liabilities of \$244-billion (if all insured bank deposits are treated as a contingent liability). The Federal Government has invested \$16.9-billion in these 104 agencies, which are authorized to call upon the Treasury for an additional \$14.1-billion.

The Hoover Commission was sharply critical of FHA: "With respect to family housing units, many of the difficulties of the Federal Housing Administration, both existing and potential, stem from its expansion of direct and indirect credit beyond the limits of either real need or prudent investment."

So the commission, noting that savings banks carry a reserve of about 6% on home loans to 2% for FHA, recommended that a further study be made of the adequacy of FHA loss reserves.

While the commission did not appear especially critical of the Veterans' Administration, it did recommend a study of loss experience of home loans looking toward ascertaining the adequacy of reserves in all phases of the Government's housing program.

This Hoover Commission, unlike its predecessor of 1949, was empowered by Congress to recommend the liquidation of activities which the commission might feel were not justified. There were some recommendations for liquidation, but the group was mild on this score, acknowledging the social and economic benefits of most Federal lending activities.

A highlight of this was its comment on slum clearance. "The elimination of these slums which are breeding grounds of disease and crime is in the interest of the country as a whole, and we believe participation in the cost by the Federal Government is justified," the commission observed.

On the other hand, the commission did propose that the Government pay rent subsidies and give aid to private loans for slum clearance, getting the Government out of the business to some extent.

The commission recommended that the college housing program be ter-



minated, that the small prefabricated housing loan program come to an end, that the Production Credit corporations of the Farm Credit Administration be liquidated. The Housing Act of 1954 set up \$50,000,000 to revive under the Housing and Home Finance Agency an old RFC function of lending money to states and cities for public works. It was proposed that this activity be ended.

In the other direction, the commission, while critical of the lending practices of the Small Business Administration, suggested that this agency be continued for a further trial period of two years.

### Holding Company Bill Considered

When the Spence Bill to regulate holding company growth and to provide for divestment of such companies' investment in nonbank assets came up for hearings last month, the idea of further regulations was supported by the American Bankers Association, by spokesman for independent banking groups, and by the Federal Reserve. The Comptroller of the Currency saw need for little far-reaching legislation. Spokesmen for the holding companies in general were opposed to the legislation.

George R. Boyles, chairman of the A.B.A. Committee on Federal Legislation, testified for that organization. He is president of the Merchants National Bank in Chicago.

"For many years the regulation of bank holding companies has received the careful study of the Association and as a result there has been a crystallization of certain over-all policies. It recognizes that present laws are inadequate for providing reasonable and effective legislation over bank holding companies," said Mr. Boyles. He listed five policies which he suggested should guide the legislation.

(1) "Definition of bank holding companies should be adequate to cover the objectives of this type of legislation and should provide for the exclusion of special situations which exist at the time of the enactment of the bill."

(2) "The legislation should outline the scope and manner by which the designated regulatory authority will administer the act, especially in relation to the autonomy of the laws of the several states."

(3) No bank holding company "should expand within the state in which it has its principal place of

business if prohibited by state law, and . . . no bank holding company should be permitted to expand outside the state in which it is domiciled unless the laws of such outside state expressly permit such expansion."

(4) "A provision for the divestment of nonbanking assets held by bank holding companies should be incorporated in such legislation."

(5) "The legislation should contain no restrictions upon the acquisition of additional shares by a bank holding company already owning the majority of the stock of such bank."

Chairman William Martin of the Federal Reserve Board declared that he would "like to emphasize that the

Board of Governors believes that bank holding company legislation is desirable," adding that "the essence of our position is that further regulations of bank holding companies should be kept to a minimum necessary to meet whatever problems may exist in the field which are not met by present law and cannot effectively be dealt with by the states alone."

By way of a summary of the Board's position, he concluded:

"We think that the principal objectives of the legislation could be accomplished by a bill which, in addition to certain administrative provisions, would include only—

"(1) a definition of 'bank holding company' as a company controlling

### Banking Legislation Outstanding

There follows a brief listing of outstanding legislation affecting commercial banking directly or indirectly, divided as to which measures, at writing, had *active prospects* and which had *not yet become active*:

#### ACTIVE LEGISLATION

Subject	Status
Bank holding company regulation	House hearings held; due soon for executive consideration
\$1.5-billion additional FHA insurance	Passed both Houses
Regulation of bank mergers	Indications House Banking Committee will take up in two or three months
Permissive cumulative voting of national bank shares	Due soon for Senate Banking Subcommittee hearing
20-year national bank real estate loans	Hearings planned, not yet scheduled
Small Business Administration extension beyond June 30	Certain to be considered by the Banking committees; time not set
Miscellaneous Housing Act amendments	Consideration likely, but definite time not set

#### INACTIVE LEGISLATION

Debt limit raise	Consideration postponed until late spring or early summer
Discretionary power to alter FHA, VA loan terms	Not scheduled; final passage is doubtful
Savings & loan branching regulation	Bills introduced in both Houses, consideration not yet planned
Additional funds for VA direct	Probably will be considered as part of other housing legislation



## "Amber Light" Burns Stronger in England

HERBERT BRATTER

THE Dow-Jones seismograph in Wall Street registered a tremor in February when, for the second time within a month, the Bank of England raised its discount rate and—this time—the London stock market boom sagged abruptly. The first bank rate increase from 3 to 3½% was described by official sources as a warning amber light. Fed by easy consumer instalment credit since the removal of curbs thereon last summer, Britain had been witnessing an industrial boom. Coupled with the approach of general elections was the hope of tax reductions, reflected in turn in the optimism of the stock market. The boom, moreover, was having noticeable effects on Britain's balance of international payments; for hungry industry required greater imports from nonsterling areas with corresponding deterioration of Britain's gold and dollar reserves. When the ½% bank rate increase in January failed to have its intended effect, four weeks later the nationalized Bank of England raised the rate by another and traditional full percent to 4½%. This time the response was prompt and commensurate.

One is struck by certain points of similarity and contrast between the American and British financial-economic scenes. In both countries flexible central bank policy has replaced the long period of grim adherence to easy money. Here, as in Britain, politics and elections affect official monetary and credit decisions. We, like the British, have been in a boom; easy credit has fed consumer buying; the stock market has revelled in optimism; the authorities have been watching with fingers crossed.

THE most obvious point of difference is the relative weakness of the island kingdom's economy compared with ours. For the British, a boom that involves a drain on the national monetary reserves is a luxury that can't be afforded. Despite the political risks in a country which has moved well along the road to socialism, the Conservative Government has had to apply traditional restraints, of which the two-stage bank rate increase was only one. In

Washington, where the more conservative of our parties sits in control of only the west end of the capital, the willingness to court disfavor of the voters in a pre-election year by curbing the boom in houses, consumer durables and common stocks is more hesitant. Catch phrases like "full employment" and "maximum employment" pass current as unquestioned political truisms to the extent that they impede full application of flexible monetary and credit policies.

POSSIBLY the Churchill Government, in raising the bank rate, restricting the use of credit for consumer buying of cars, TV sets, radios, furniture, and other durables and giving the Exchange Equalization Fund a role in supporting transferable sterling, foresees a likelihood that the U. S. authorities may have to intervene in the American boom. Should money become tighter in the U. S., funds would tend to be attracted from abroad, the UK included. Unlike the U. S. A., the UK can't afford to ignore the interest rate across the ocean. Britain's 4½% rate, it is hoped, will tend to draw funds from overseas to London and so strengthen reserves. Before World War I central bank discount rates were used almost solely to stabilize international payments under conditions of economic and foreign-exchange *laissez faire*. Today Government plays so large and varied a role through its activities and controls that discount rates have tended to lose much of their former import.

However, bank rate still seems to have more influence in Britain than the Federal Reserve discount rates have here. In Britain by and large even a public utterance by the Chancellor still generally exercises effect in the financial market. The ½% January rate increase was promptly reflected in lending rates right down the line. But inflation still crept ahead. The wage-price spiral was not halted, as was illustrated by the railway wage settlement. If, as described in the City, the January rate increase was an act of banking, the February 1% hike was an act of state.

a majority of the stock of any one bank, with no exceptions;

"(2) a requirement that every bank holding company obtain prior approval before acquiring the stock of any bank if thereafter its holding of the stock of that bank will exceed 5%, with provision for obtaining the views of state and Federal authorities; and

"(3) a requirement that bank holding companies divest themselves of their nonbanking interests, with a minimum of specific exemptions, but with administrative authority to make limited exemption."

Ray M. Gidney, Comptroller of the Currency, said that in the opinion of his office the present laws relating to bank holding company regulation have worked well.

"While some amendments are desirable, there is not apparent to us a need for an extensive or general revision of the law. The amendments which we would recommend are two in number, and both are included in H. R. 2674 (the pending bill). They are the following:

"Sec. 5(a) would make it unlawful, except with the prior approval of the Board of Governors of the Federal Reserve System (1) for any action to be taken which results in a company becoming a bank holding company; (2) for any bank holding company or subsidiary thereof to acquire, directly or indirectly, any voting shares of a bank; or (3) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank.

"Sec. 6(a) would make it unlawful for any bank holding company to own shares or obligations of any company other than a bank or to engage in any business other than that of banking."

### Check into Bank Loans on Securities

In its concept, the Senate Banking Committee "friendly" inquiry into the stock market was almost without precedent.

This is because Committee Chairman J. William Fulbright (D., Ark.) announced in advance that in effect he knew of no evils to expose or had no specific malpractices to air, and that he had no particular new laws in mind—considerations which normally motivate Congressional investigations.

(CONTINUED ON PAGE 112)



# Electronics in Savings Operations

EVERETT J. LIVESEY

*Electronic aids take over routine mental chores,  
freeing men for creative thinking*

MR. LIVESEY is vice-president and secretary of The Dime Savings Bank of Brooklyn. The following paragraphs are from a speech he gave at the recent Savings and Mortgage Conference of the American Bankers Association, reported on page 78. Mr. Livesey is a member of the A.B.A. Savings and Mortgage Division's Committee on Savings Management and Operations and Committee on Electronics.

WE HAVE ALL heard of analog and digital computers. Analog computers show results in nonnumerical terms such as lines on a chart; digital computers show results in numbers which can be recorded. It is in the latter type that operating bankers are interested.

Just what is an electronic computer? Basically, it contains an input device which introduces the data to be worked on; a programmer, which tells the machine what to do, and makes sure that its instructions are carried out; an arithmetical computer; a memory to store data; and an output device to record the results.

## Human Errors Only

The machines are extremely reliable, and the error rate is constantly improving. It would be wrong, of course, to say that mistakes do not occur, but almost always they represent human, rather than machine, failure.

What can we expect these machines to do for us? R. F. Clippinger, in the *Harvard Business Review*, describes a computer whose output will equal the work of 35,000 clerks with desk calculators, fully occupied for one shift. The cost of this machine for both data handling and computing is from \$34 to \$68 per man-year. It can handle 3,500 words of information per second, has a searching rate of 315,000 words per second, and can perform 3,500 computing operations per second.

Electronics, applied to the business world, must be spoken of in the present tense. Where do we stand

in banking? One must recognize the First National Bank of Chicago as a leader in the application of electronics to our field. Among other innovations, this bank has developed a "chex-writer," which punches and verifies cards automatically as a check or other original document is being typed. Any part of the information punched into a card during the typing operation can be duplicated into the check or a typed card immediately without the use of any other equipment.

## Other Pioneers

A combination punched card and television operation for savings tellers has been installed at The Provident Institution for Savings in Boston.

In New York City, the New York Savings Bank has installed a somewhat similar system, which has stood the test of two years' operations. One unique feature is the arrangement of the files in two parallel banks with a passageway between. The operator moves along this path on a vehicle which also carries the camera and power equipment. She glides effortlessly to any account number desired.

An interesting feature of the New

York Savings installation is that the facilities also serve a branch office over a closed circuit. Not only the tellers, but the new account department, are equipped with receiving sets.

## How to Figure

How do you figure out whether or not you can afford electronic equipment? You do what you've always done. Add together the cost of the new machines and any additional staff required to operate them, the cost of problem preparation, the cost of peripheral equipment beyond that which you now have, and subtract the net personnel reductions and machine eliminations, which you feel you can effect due to the new installation. The result is the amount, if any, which you can save through the new purchase or rental and procedure.

## Obsolescence a "Bugaboo"

The first is the old bugaboo of obsolescence. Assume that you need a large number of new window posting machines. What happens if your bank buys equipment presently available, only to find that it is completely obsolete a year from now?

Another difficulty is that bankers generally have had no experience with, and have no knowledge of, electronics. A great many hours, and much study and attention, will be required to train both management and employees.

## Creates Training Problem

Two major points to be considered under the heading of personnel administration are what the new electronic machines may be expected to do to the level of employment in our banks, and the difficult training problem which we will face as electronic equipment is introduced into our operations.

We must face up to the fact that many people who have learned par-

(CONTINUED ON PAGE 134)

Mr. Livesey





# Investment Analysis

## *in the Small Trust Department*

MENDON W. SMITH

### Simple, Easily Made Graphs Are the "Gimmick" in This Analysis Presentation

*The author is assistant trust officer, The First National Bank of Ithaca, N. Y.*

I HAVEN'T found a substitute for the investment services, nor do I threaten the continued profitable existence of those who analyze securities and write about it. Nevertheless, I have stumbled on a technique of presentation which is easily prepared, quickly comprehended by the trust investment committee, and which offers a modicum of original analysis.

Of course, we all depend upon the advice of others when we make up investment programs. However, it always boosts one's ego a bit to step up to the bulletin board, trace major trends of the past 10 years or so, look profound, and then agree with what most of the professionals are saying.

Here, then, is my gimmick. Before our monthly trust investment committee meeting, I pick out a dozen or so stocks that I want to analyze. It takes me about two working days to prepare my graphs. I use a strip of log graph paper about six feet long and three feet wide. This will accommodate, side by side, the analysis of seven different companies. My analysis of each company consists simply of sales, earnings, and dividends per share; price range; and "yield on high price"—all shown from 1946 to the present.

#### The Finished Product

The illustration here is an example of the finished product.

While no one was looking, I slipped the word "log" in front of my "graph paper"—and now I'll have to pause to elaborate on that a bit. Nonmathematicians will have to be patient and take what I say on faith. The virtues of log graphs for this sort of analysis are overwhelming. No matter what the differences in magnitude of two companies, their

descriptive statistics may be plotted directly to the log graph, and the resulting lines may be immediately compared. Thus, in one panel I can plot the growth of our deposits—now upwards of \$20,000,000; and in the next panel I can plot the growth of National City Bank's deposits—in the \$6-billion range. Then I look at the slope of the two lines and say without further ado that our deposits are increasing just as fast as theirs. On log graphs, lines showing the same slope represent the same percentage increase, no matter what magnitudes are compared.

#### No Base Period

A second virtue of these graphs is that they do away with the base period and all its woes. Instead of arriving at final comparisons good only for today, such as "based upon 1947-49 as 100, X's sales are up 32%, Y's 5%, and Z's are down 10%," you can immediately construct a running commentary such as "X's sales were held down by strikes in 1948, but since then have recovered; Y's sales were good in the 47/50 period, leveling off in 1950/52, and have gone up faster than X's in 1953/54; Z's sales curve followed X's until this year, when another strike cut into production."

One final word on this log business. Since no one has yet seen fit to print a log graph large enough for my purposes, I construct my own by the simple device of pointing off the spaces from the center bar of my slide rule. One of my ulterior motives in writing this article is to create a sufficient demand to make it worth while for graph paper makers to print such log graphs.

Nonmathematicians may now re-enter the room.

I think that I can best demonstrate this device by inviting readers to sit in on a brief financial analysis

of some equipment manufacturing stocks. Please refer to the illustration as we go along, and realize that my usual captive audience can watch the graph constantly while I point out significant trends and drone along into their patient ears.

This review covers seven major companies in the automotive, electrical equipment, and agricultural equipment fields. These charts cover the period 1946 through 1953 and, therefore, do not record the events of the last 12 months or so. However, my aim is to illustrate a technique and not to record the latest news.

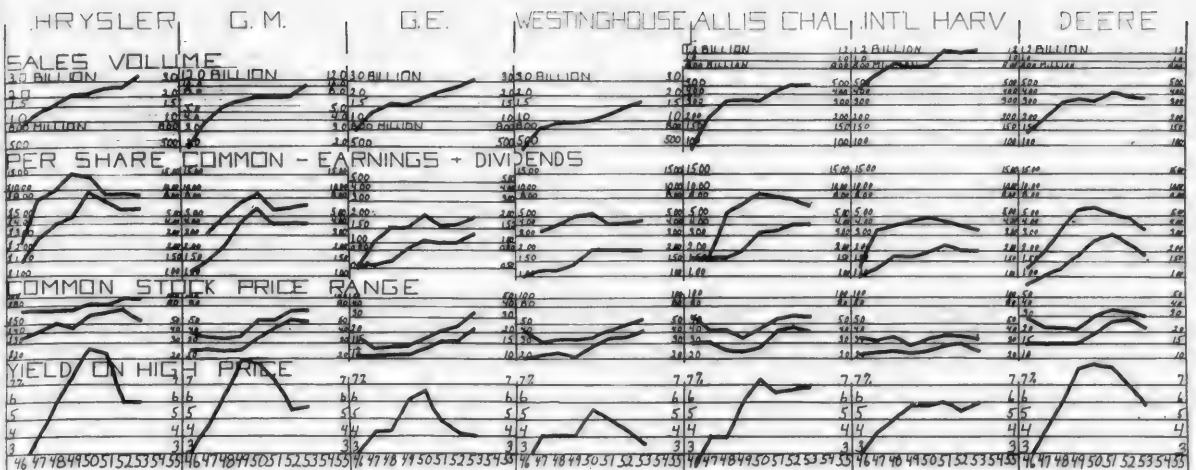
#### What the Lines Show

The six lines you see outline the experience each company has had since 1946. The top line represents sales, the following pair represent earnings and dividends per share; below that is the common stock price range; and, finally, a somewhat unorthodox measure of my own which is the yield received by someone who bought at the highest point each year. Thus, if the stock paid \$2 and the highest price was \$33, then the yield for that year would be 6%; and if, in the next year, the dividend was raised to \$2.50, and the price went up to a high of \$50, then that year's yield would be 5%. Year by year plotting of the yield is a measure of the optimism or pessimism with which the market regarded the future of each stock at the most optimistic point of the year.

#### GM—Chrysler Sales

The sales patterns of Chrysler and GM, although roughly equivalent in the rise from 1946 to 1953, show interesting variations. GM got off to a much faster start during the 1946/48 period, with sales rising considerably more vigorously than Chrysler's; both leveled off in 1949, but in 1951 and 1952 Chrysler was able to show increases—probably due to the vagaries of the impact of Government restrictions — while GM's sales continued on a dead-level





from 1950 to 1952. Both showed sharp increases in 1953.

The earnings experience of both companies was quite similar, showing sharp increases from 1946 through 1949/50, followed by declines due mainly to increased taxes. Dividends paid followed the pattern of earnings. It is interesting to note that there is no hint in these figures of the very divergent results of 1954—a sobering warning to the trend analyst.

The rising trend of earnings and dividends was finally reflected in common stock prices after 1950, and since then prices have been substantially above those obtaining in the early postwar market. This market reaction was slow, however, and the yield on these stocks rose rapidly from 1946 to 1950, reflecting rising dividends and relatively stable prices. The cycle is presently completed from the optimistic 3% and 4% levels of 1946/7 to the scary heights of 10% in 1950 and now is back again in 1955 to 3% and 4%.

#### GE—Westinghouse

The steady growth of sales of GE and Westinghouse was interrupted only in 1949 and shows no signs of leveling off yet. GE may have shown just a shade faster sales growth than Westinghouse since 1950, but the advantage is slight. After the sharp rise in 1947/48, per share earnings have remained rather stable—in the \$1.50-\$2 range for GE and between \$4 and \$5 for Westinghouse. Dividends have increased with earnings. Westinghouse has shown a substantially lower percentage of earnings paid out and thus would appear to have a little

more room to maneuver dividend-wise.

The yield pattern of these stocks has been similar to that of Chrysler and GM, but on a much more moderate scale. The relative stability of their utility customers has given investors more confidence. The peak yield of 5% in 1949/50 compares with the 10 to 11% of GM and Chrysler. Before that time and since, the yield has persisted in the "growth" stock level of 3%.

#### Farm Implement Companies

The three agricultural equipment companies show variations on the classical pattern of sales for almost all companies during this period; i.e. sharp rises from 1946 through 1948, leveling off in 1949, another spurt in 1950 and leveling off again in 1951/53. Allis-Chalmers shows the sharpest sales gains in both the 1946 period and in 1951, while International Harvester has the least dynamic sales pattern of the group. All three have shown level-to-declining sales for the past two or three years.

Earnings have all shown a pronounced downward trend since 1950 after rising sharply in the early postwar years. Dividend action has been rather divergent. Allis-Chalmers shows a very good increase from \$1.50 to \$4; International Harvester a more modest rise from \$1 to \$2; and finally Deere has maintained a relatively stable percentage of earnings payout, with the result that dividends rose faster from 1946 to 1950 than those of Harvester—and to a lesser extent than those of Allis-Chalmers—but have declined with the earnings decline of the

past few years, so that the net rise over the period is not impressive.

The market has regarded these stocks with reserve during most of this period, and yields have remained at 6% or more since 1948. Recently, of course, even these yields have declined somewhat.

Finally, let us back off a bit and compare the experience of all seven companies. It is immediately evident that the electrical equipment companies have shown the most encouraging sales experience, although translating it into earnings and dividends has been, so far, disappointing. The drift of the past several years in the sales of the agricultural equipment makers is in sharp contrast to the aggressive surge in the 1953 sales of Chrysler and GM. On the other hand, the market has evaluated the automotive stocks over a wide range from the starry-eyed idealism of 3% to the panic fear of 10%. Meanwhile the agricultural stocks plodded along at a slow and steady 6% to 7%.

#### Background

That about completes the performance. Despite all that mystifying nonsense about logs, these graphs are simple and easy to prepare. A little study of the relative growth, or nongrowth, of sales, earnings, and dividends at the very least poses questions that should be answered. These graphs also provide a brief but lucid background for judging the current level of latest estimated earnings, dividends, and price. Above all, they provide me with something more than "the experts told me" when Jim asks reasons for recommending a stock.



# METHODS and IDEAS

## Operating Procedures

### **What's New in Bank Operations?**

*That question was on the agenda at the Pennsylvania Bankers Association's operations clinic at the Wharton School in Philadelphia, and a panel offered some answers.*

#### **Teller Operations**

A BILL counter used for some time by the Federal Reserve banks has recently been adopted to commercial bank operation, reported Homer B. Moyer, comptroller, Miners National Bank of Wilkes-Barre. It is available with either four or eight compartments and has accumulating registers as well as a crossfooter.

Although sorting and the banding must be done manually, experience indicates that one operator using a machine can produce almost as much as two operators without the machine. On this basis the saving in operating costs over the life of the machine is substantial.

Mr. Moyer also noted more widespread use of multiple-copy deposit tickets together with a validating stamp. The form is prepared with snap-out carbons and a minimum of three copies is required. The original is retained by the bank to serve as the conventional deposit ticket, the second copy is returned to the depositor as his deposit receipt, and the third copy is retained by the teller as a cash ticket.

Since the deposit ticket is prepared by the depositor, the teller's time consumed is reduced to a minimum.

#### **Loan Accounting**

Use of window posting machines on substantially all loans is particularly well adapted to mortgage loans,

demand loans and instalment loans, this banker told the clinic. Basic features of the system are the use of an individual loan card for each loan, a receipt book for the borrower and elimination of the liability ledger.

#### **Spread Interest Periods**

From Stanley R. Jeffries, assistant treasurer and assistant trust officer, Dauphin Deposit Bank & Trust Company, Harrisburg, came some observations on this aid to distributing the work load.

"Spreading the periods is simple and involves only dividing the savings ledgers into the desired number of sections," he said. "In our bank we divide into thirds, crediting one-third in April and October, one-third in May and November, and one-third in June and December.

"We also compute the interest on every card showing activity, when that activity occurs. Consequently at the end of any period only those cards that were inactive need be computed, and that is simple and fast. It's amazing how a former burden becomes simply a daily job."

At the Pennsylvania Bankers Association's operations clinic: *L. to r., George W. Geuder, treasurer, Trademans Land Title Bank & Trust Co., Philadelphia, PBA Bank Operations Division; Sidney D. Kline, PBA president, and president, Berks County Trust Co., Reading; and G. Edward Cooper, vice-president, The Philadelphia National Bank and chairman of clinic committee*

#### **Terminal Digit Filing**

Mr. Jeffries also commented on terminal digit filing:

This system is of particular value in savings departments.

Briefly, the system is just the reverse of straight digit filing. Numbers are read from right to left rather than left to right. It involves filing by the last number or the last two numbers or even in high numbers of six or more digits by the last two numbers with subdivisions.

The system eliminates three major faults of straight numerical filing: (1) Unequal distribution of work because most activity in straight numerical filing is at the end or newest part of the file, causing congestion there; (2) expansion or contraction of the file necessitates a periodical back shifting and rearrangement of the whole file; (3) misfiles and difficulty in locating them.

#### **Using Your Machines**

A REPORT on mechanized operations of Bankers Trust Company, New York, was made at the PBA





*This department, which includes "Public Relations," is by JOHN L. COOLEY OF BANKING's staff.*

clinic by W. Putnam Livingston, assistant vice-president of the bank.

"We are doing four things," he said: "(1) Maintaining an open mind about the specific advantages of machines; (2) learning to understand what makes punched card systems work well; (3) expanding our punched card systems; (4) exploring the potentials of advanced mechanization."

### **Machines in Combinations**

The bank often uses combinations of manual, automatic and punched card machines. For instance, in handling banking department checks, proof and bookkeeping machines are tied to an additional combination.

"After the first proof machine sort," Mr. Livingston explained, "card checks are handled by electric accounting machinery which distributes charges to the respective accounts and later reconciles them. At present, with the machines available, these combinations represent the best way of handling a mixture of paper and punched card checks. In some cases it is necessary to key punch card checks for dollar amount, but in others the amount has been punched at issuance. We look forward to analyzing printed amounts on checks electronically and recording the amounts automatically."

### **Dividend Checks**

Another combination is used when the bank, as disbursing agent, issues punched card dividend checks in large volume. They originate from hand-filed addressograph plates embossed by tape-operated graphotypes. Automatic machinery prepares, proves and mails the checks with the necessary Federal forms, also on punched cards.

The complete dividend check is produced as a combination of manually maintained source records, automatic machines and electric accounting machines in six high speed steps. Bankers Trust developed this method.

Expansion of the bank's punched card systems has been in progress since World War II. Its installa-

tions of this equipment reflect a decision to increase the use of high speed electric accounting procedures through decentralization. This has been done by developing personnel and systems in a central or "mother" unit and transferring self-contained sections to their respective departments.

### **Six Installations**

"Consequently," continued Mr. Livingston, "from an original single unit we now have these installations: In the banking department there are two, one handling custodian securities accounting, the other a new installation for instalment loans. In our corporate trust de-

partment there are also two installations, one for disbursing dividends and recording proxies, the other for paying and reconciling dividend and other agency checks. In the pension and personal trust department there is a large installation handling the accounting of securities and cash. In the Administration Department there is the 'mother' installation, responsible for research and methods studies, pilot operations of new projects, and for handling miscellaneous services.

"These installations used a combined personnel of 47 machine operators and about 75 others engaged in maintaining card files and other

(CONTINUED ON PAGE 108)

\*\*\*\*\*

## **Mechanized Mailing**

*Here's a report on the extensive use of inserting and mailing machines by Guaranty Trust Company, New York.*

THIS bank started using these machines in 1945 at which time we had one 4-station machine. Our activity has increased to a point where we now have five in operation. These are: two 4-station machines, one 6-station machine, and two 4-stations for report material.

All machines are used for enclosing and mailing dividend checks, proxies, notices, reports, publications and all other types of material, ranging in size from 3 1/4 in. x 7 7/8 in. to 9 1/16 in. x 12 1/2 in.

Dividend checks are enclosed by these machines at the rate of 3,500 an hour as compared with 400 an hour by hand enclosing. Proxies and other material, from one to six enclosures are all mechanically enclosed at the rate of 3,500 per hour compared to hand enclosing which varies somewhat depending on the number of enclosures involved. In such cases, one to three hand enclosures can be made at about 300 an hour, whereas four to six hand enclosures will drop the rate to 200 per hour. Reports and larger mailings are enclosed by the machines at 2,500 per hour as contrasted with a 300 per hour rate for hand enclosing.

In addition to these features of the machines, the envelopes, after the enclosures are inserted, are mechanically sealed, metered, and ready for delivery to the Post Office which, by comparison with hand enclosing, eliminates the necessity of sealing and metering the envelopes in a separate operation.

Because of a greater stockholder relationship interest in the past few years, many of our companies have increased mailing to stockholders. For example, a few years ago one large company went from a semi-annual dividend payment to a quarterly dividend payment and other companies have adopted the practice of mailing out quarterly reports either before or shortly after a dividend payment date. Even with this increased activity, by using machines we have been able to handle these additional mailings, whereas without the machines it would have necessitated hand enclosing which would require many more in personnel than we have available, and more space than we could obtain to do the enclosing.

THE amount of mailing handled has grown to such a volume that a new special mailing group has been created in our Transfer Division which supplements our regular Mailing Department. In other words, the Transfer Division's mailings were formerly channeled through our general Mailing Department, but volume has become so great that it has been found more expedient to set up this special group in the Transfer Division where the mailings are made direct from that point.

All the machines used by this bank are equipped with the so-called micrometer feed which can be set to the thickness of the material being enclosed and which prevents the picking up of more than one enclosure by automatically stopping the machine and indicating by a signal light the feed station where the trouble occurs.

HOWARD J. CARSWELL



# Public Relations

*Advertising . . . Promotion . . . Business Development . . .  
Community Relations*

## Bank Gives Highway Plantings to Community

**H**ERE'S a community relations project that will long remind people of a public-spirited bank.

THE PEOPLES NATIONAL BANK of Charlottesville, Va., gave the plantings along a new three-mile distribution highway that crosses the northern end of town. Four markers, similar to the historic signs used by the state, identify the donor of the dogwoods and shrubs they see along the route.

Needless to say, public response has been enthusiastic. The Peoples was thanked officially by the supervisors of Albemarle County, the Charlottesville City Council, the public school system, and the garden clubs. The Virginia Travel Council publicized the gift, and a writer in the Virginia Garden Club's magazine said "the encouraging part of the whole venture stems from the fact that a business organization has chosen such an aesthetic way in which to serve our community."

The idea started as a dogwood planting program supported by the chamber of commerce; Charlottesville wants to be "the dogwood capital of the South." The bank came through in a big way—but we'll let Executive Vice-president W. Wright Harrison tell the story.

"The bank purchased approximately \$8,000 worth of trees and shrubs, including 1,000 white dogwood, 300 pink dogwood, more than 1,000 multiflora and Wichuriana roses, 250 rhododendron, 250 pines, 175 American redbud, 525 mountain laurel, and numerous other plants and shrubs.

"The State Highway Department agreed to plant and landscape the highway, and to care for the shrubbery.

"In conjunction with the program, the bank offered to the community



This sign tells the story of a bank's unusual community relations activity

pink and white dogwood trees at wholesale prices, which were ordered from the same nursery that supplied the shrubs. Over a thousand orders were placed by our customers and friends, and planted on private property throughout the community."

Mr. Harrison points out that the road is very new and that the plant-

ings don't show up too well. "But," he adds, "we're looking forward five or 10 years when the trees and shrubs will be a real landmark in our community."

The bank plans to make replacements from time to time, and perhaps to extend the plantings to more distant parts of the highway. Also, it may beautify other major roads in the county.

## Campaign Aids Branches

**A** NEW mailing program started this year by the Union Bank of Michigan, Grand Rapids, tells the story of the bank's 10 basic services in terms of each branch. The series points out to residents of each branch area that their neighborhood office is not only convenient, but offers all the services of a large bank.

Each month's mailing consists of 75,000 jumbo (6 x 10 inch) cards. A simple headline—such as "Save Time—Save Trouble—Bank by Mail at Union Bank"—dramatized by silhouette artwork is used on the message side, with the bank symbol and a list of the branch office locations. On the address side is an aerial view

◆  
These are the cards used in the Union Bank's neighborhood branch campaign  
◆





of the neighborhood; the location of the office is marked in color. Under the photograph a note invites residents to "come in and get acquainted." The note is further personalized by the signature of the branch's manager.

A strong tie-in is achieved by using the artwork in a newspaper campaign. This also gives double value to the artwork, minimizing expenses for both newspaper and mailing programs. Blow-ups of the aerial photos have been placed in each branch lobby.

The campaign has noticeably increased traffic in the branches, reports the bank. It will continue the program throughout 1955 in the belief that continuity is important.

### Bank Ads Picture Customers

NEWSPAPER ads featuring pictures of customers, with tie-ins on their use of bank services, are attracting attention for the CITIZENS NATIONAL TRUST & SAVINGS BANK of Riverside, Calif.

Each 4-column insertion resembles a news story. First, there's the human interest picture, usually taken in the customer's home. Then a short piece of copy, set in the paper's own type face, tells how the folks in the photo are using the bank. Below is the bank's signature and usually a small box listing other services.

The general purpose, says June Smith, advertising and publicity director, is to establish in the public



This cavalcade of cattlemen is paying its first visit to the Scottsdale branch of the First National Bank of Arizona on opening day. The architecture of the bank, with its covered sidewalk, is typical of "the West's most western town"

mind the Citizens' friendliness and the fact that "somebody you know" considers its services essential. A recent survey of banking habits and reactions to advertising shows, she reports, that the customer series is "the best liked and best remembered of all our advertising."

The bank has 16 offices in a 250-square-mile area, and its ads run in the 12 papers covering those communities. Each series of three monthly insertions is tailored for the newspaper by the use of local customers' pictures.

Branch managers cooperate in obtaining the photos; they arrange the appointments in accordance with Mrs. Smith's specifications: a family with children, a mother and small daughter, college students, etc.

"We almost never have turn-downs

for the customer series," she tells us. "In fact, people sometimes ask to be included. When the photographer and I come out they get all dressed up; some make a little party of the occasion. The refusals we do get come mostly from old-timers who still believe that 'nice' people get their pictures in the paper only when born, wed, or dead."

The pictures are taken by local photographers, preferably those with newspaper experience. Customers get free glossy prints and thank-you letters from the bank.

### Neighborhood Bank Has Salesman

IN Minneapolis the FIDELITY STATE BANK has found that a new business department, established less than a year ago, is useful to a neighborhood institution.

Headed by a salesman whose job is servicing commercial accounts and soliciting new ones, the department has built goodwill and brought financial returns. The salesman is Donald Knight, a banker. When he began his neighborhood calls by covering Fidelity's territory on a street by street, door to door basis, some special importance was placed on meeting doctors, dentists, lawyers, and other professional men. This group he found receptive; it needed bank counsel, and it asked plenty of questions. Answering them gave the banker a chance to talk specifically about the product he was selling. He also got an insight into prospects' problems.

The department uses several forms that give system to the selling job. A daily operations report

GANDEA JOYA ALPHEA, fraternity of Riverside College gets off to a good start for its year's financial operations by signing a checking account at Citizens Main Office. The fraternity's president, Via Karadahan, left, and treasurer, Miriam Eaton, do the honors with the help of Rita Rogers, new accounts clerk. Eaton, who is signing the signature card, is also president of the student body. The fraternity, composed entirely of Korean war veterans, was organized three years ago.

16 OFFICES IN RIVERSIDE & SAN BERNARDINO COUNTIES

CITIZENS NATIONAL

Free Parking in Riverside at Citizens Ltd. On Orange

One of the ads in the Riverside bank's customer series



is completed at the end of each day. It contains general information about the calls made and is circulated among the officers, who add their own comments. Then the dates are put on individual report forms.

A permanent file card for each customer provides a complete running record of his balance, dates he was called on, entertainment, his accounts, etc.

There is also a file of prospect cards.

A tickler system keeps Salesman Knight posted on follow-up calls.

## Ads the Public Likes

NEWSPAPER readers in Beloit, Wisc., are telling THE SECOND NATIONAL BANK that they like its weekly series of newspaper advertisements.

Copy is keyed to the theme, "It's hard to believe how times have changed since we started banking in 1882." Each ad features a drawing that depicts a scene from those times—horse and buggy, old schoolroom, home interior, etc. Under it are chronicled three events that happened in Beloit in 1882.

Then, with the reader's attention well in hand, the bank talks about one of its services: savings and checking accounts, real estate and home improvement loans, travelers checks, money orders. The ad schedule is set up eight weeks in advance, subject to change.

"We have had a large number of people remark that they look forward each week to reading our ads," says H. G. Smith, director of public relations.

## "Operation Sell First"

CONTINUING an unusual experiment, 76 officers and key personnel of THE FIRST NATIONAL BANK OF MEMPHIS took part in a weekend conference that covered the bank's

## It's Hard To Believe

how times have changed



Remember the good old days?

since we started banking in 1882

- Jan. 8, 1882 . . . J. P. Ball is having a giant Clearance Sale of all his wool, goat and buffalo robes. They will be sold at greatly reduced prices.
- Jan. 11, 1882 . . . Notice has been given selling in all Beloit City Bonds, issue of Feb. 14, 1879. Payable at the Metropolitan National Bank in New York City.
- Jan. 13, 1882 . . . Steak has gone up to 15c a pound and butter to 30c a pound. Where will these prices end?

## Pioneers in American Banking

Open a Checking Account at The Second National Bank today. You'll save time and you'll save money.

Paying bills by check is an easy, effortless operation . . . and your cancelled check is a legal receipt. A Checking Account will materially aid you in keeping a budget.

Your Checking Account will provide you with the convenience of ready cash without the dangers of carrying it. Come in today and let us show you how easy it is to start a Checking Account at The Second National Bank. You'll be glad you did.

## One of the Beloit bank ads

services, the interdepartmental functions and relationships, and employee, public, and community relations.

The meeting, dubbed "Operation Sell First," was held at Paris Landing, and was patterned after a similar session, "Operation Think First," at Kentucky Lake a year ago.

Saturday was devoted to discussions of public relations and the work of the various departments, including operations and correspondent banking. On Sunday the bankers took time out for a devotional service and then talked about lending operations and credit analysis.

Throughout the conference emphasis was placed upon the depend-

ence of the departments on each other. Newer members of the staff had an opportunity to learn about departmental functions.

## TV Kit for Banks

THE Public Relations Council of the American Bankers Association recently published "A.B.A. Kit of Television Aids for Member Banks," a 15-page pamphlet that offers:

Fourteen television script ideas, 12 basic television formats, six public service TV formats, 12 guides for commercials, TV presentation hints, and a television glossary.

The script ideas offer a wide variety—weather show, sewing class, interview shows, bank service dramatization, to mention a few. Among the formats outlined are dramas, musicals, comedy, audience participation, panel shows, news and commentary, children's programs, sports and special events, demonstration shows, and personality programs.

The guides for commercials are terse and practical—tested by experience. So are the hints on presentation.

[See also "Banks in the Living Room," page 97.]

## What Are You Doing?

By the way, we'd like very much to hear what our readers are doing in television—and with what results.

We suggest you tell us about *your* experience, especially if you've done some pioneering. This is still a rather new field, and, as the new kit points out, "banks will have to look, listen, and experiment."

## Bank Fire Story

AN unusual folder, "The Story of the Beverly National Bank Fire," has been prepared for distribution to members of the Massachusetts Bankers Association.

In five mimeographed pages the \$1,000,000 disaster is recounted in some detail, as reported to the MBA's executive secretary, Edward R. Tufts, by the Beverly National's president, Burton W. Phillips.

The narrative emphasizes the important problems that arise when such a catastrophe strikes. Decisions must be made on establishment of

(CONTINUED ON PAGE 107)



Time out for a meal during the "Operation Sell First" conference for personnel of The First National Bank of Memphis



# Canadian Labor Echoes U. S. Unions

CHARLES M. SHORT

THE two largest labor unions in Canada are affiliated with the AFL and the CIO in the United States. These Canadian organizations, with a combined membership of about a million, profess to be quite independent of their American counterparts, but there are a number of unions, such as the United Automobile Workers, which are known to be directed at times from so-called international headquarters in American centers, while most others often take their cues from AFL and CIO leaders.

For example, a strike of over three months' duration against the Canadian Ford Motor Company was called not only over a dispute on wage increases and "fringe benefits" but, also, to enforce a nationwide agreement on all labor conditions, similar to that which the United Automobile Workers in the United States had effected with the American parent company. This strike was settled only when a top official of the union was brought in from Detroit and after, too, both sides had compromised on the wage and "fringe benefits" questions. The union won on the point of a nationwide contract.

In recent years there have been cases of stronger intervention by certain American union leaders who have regarded their Canadian associate organizations as under their direct control. They were permitted to enter Canada and to call and lead strikes against employers in this country and to dictate the terms of settlement.

## Amalgamation?

It now seems quite certain that the two large Canadian unions will follow the lead set by the AFL-CIO in a powerful merger. The leader of one of these two unions recently announced that they, too, could be amalgamated within the next year. Furthermore, echoes of the guaranteed wage proposals in the United States have been heard in Canada. It should be noted that working conditions north of the Border are quite different from those over the

greater part of the United States—for one reason, because climatic extremes result in more seasonal changes in employment. Thus the period for outside construction is shorter in Canada. Accordingly, the risks attendant upon a guaranteed wage system would be even greater in this country.

Moreover, Canada is going through an economic readjustment which in some respects is more difficult than that of her southern neighbor, and at present she has the highest number of idle workers in the entire postwar period. Notwithstanding these conditions some Canadian union leaders are pressing for a guaranteed wage for employees in the automobile and textile industries, two units of the industrial system which need lower, rather than higher, costs if they are to operate at a fairly steady rate and meet severe foreign competition.

## Capital Investment, 1955

A Government bureau in Ottawa has made its annual survey, covering 16,000 firms and corporations across

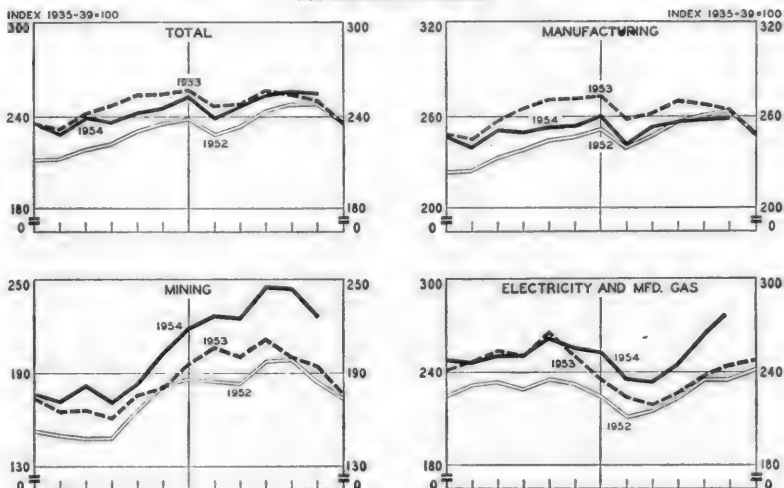
Canada, of capital investment intentions for 1955. The bureau has also taken into account anticipated expenditures by government authorities, federal, provincial, and municipal. In all, these projected capital expenditures, for economic expansion and for repairs and maintenance, add up to a near-record total of more than \$7¾-billion. This amount, if actually spent, would include some capital outlays intended for 1954 but carried into 1955 because of delays occasioned by a combination of circumstances, including the economic decline of last year.

Yet the estimated expenditures for 1955 will be slightly below the all-time high of 1953, with the biggest drop in commodity-producing plants in which sufficient expansion had occurred in preceding years to take care of current demands. However, if the improved economic conditions in the United States and Western Europe were to continue, an atmosphere more favorable to further industrial expansion in Canada might develop.

Canada would this year seem to require less American machinery and equipment, but more in the way of construction materials and household goods, including appliances.

The charts below showing indexes of industrial production in Canada are taken from the Bank of Canada's *Statistical Summary* for January 1955

INDEXES OF INDUSTRIAL PRODUCTION  
NOT SEASONALLY ADJUSTED





# "'Tis Spring Again"

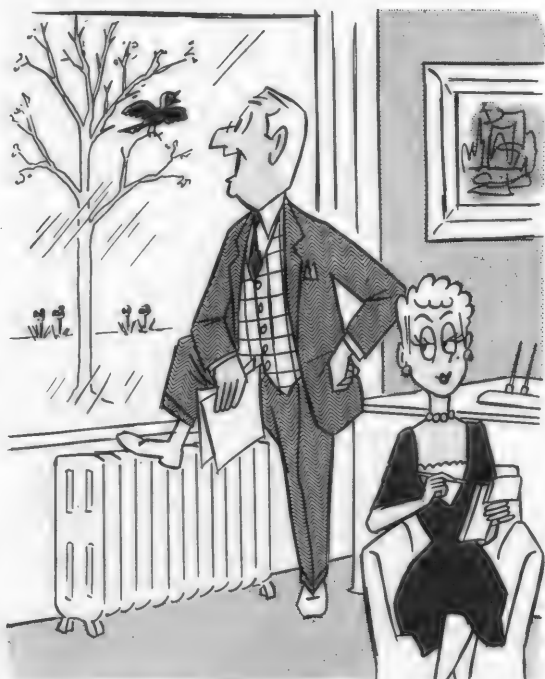
By DICK ERICSON



"I inspected the construction on those two Fernwood Lane properties, Chief, and they're O. K. for first payout . . . now, on the other . . ."



"I noticed the 4th of July falls on Monday, so I thought I'd be the first to request my vacation the middle two weeks in July."



"Take a letter to Mr. Francis Lambert, Greendell Farms, Stardust Valley . . . er, skip that . . . I think it would be a nice gesture if I drove out there personally and went over this matter."



"Thag you bery buch, Biss Jodes. Care to borrow by doze droids?"





"Phone Robinson and tell him I'm on my way to the conference . . . and switch tomorrow's meeting with Randall and Humphrey from lunch to the first tee at two sharp."



"We designed the whole thing ourselves. Now, how much mortgage will we need? And we'll need some of the money right away to buy the land and some tools . . . we're going to build it ourselves, too."



"Open . . . Closed . . . Too hot . . . Too cold . . . up . . . down . . ."



Dick  
ERICSON



# 60 Hours After the Fire

**T**HE oldest business institution in Casper, Wyoming, is the Casper National Bank. On January 21 it gave notice that it was not ready to relinquish its title to longevity, in spite of a roaring catastrophe. Friday night fire gutted the landmark from basement to roof. Early estimates by bank officials put the loss at well over half a million.

On Monday morning, only a little later than usual, the bank was doing business again on the southwest corner of 2d and Center, a silver dollar's throw from its old stand. The new location was another Casper landmark, the Grand Central Hotel building. Abandoned for more than a year, its interior was the picture of decay. But when the customers showed up Monday morning the ancient relic had a new face. The pictures here tell the story—from blaze to business-as-usual, almost.—MIKE LEON

Discovered at 6:30 P. M., the fire roared out of control in spite of new equipment recently added to Casper's fire department



PHOTOS BY MIKE LEON



Near-zero temperatures brought suffering to the firemen. Across the street a jewelry shop opened its doors to the frostbitten men and the Salvation Army dispensed donuts and coffee



Lasting all night, the fire was finally subdued after repeated flare-ups. Late Saturday morning it was possible to enter the ruined building. Shown here is what remained of the loan department



*Left:* Two directors of the bank, W. M. Shepherd and Russell Schulte, talk over salvage operations with workmen in the alley behind the bank. Recovery of the vaults and other equipment was still in progress Sunday evening

*Right:* One of the last vaults to come out of the debris is swung up through the hollow shell of the bank and deposited on the street. Vaults, fortunately, were fireproof







The decaying Grand Central Hotel building becomes a bank. Refurbishing, salvage operations, and moving of equipment begin. No bank records were lost



Sunday, with the morrow deadline nearing, workmen jostle one another. Repairmen begin another job, as painters pause for a snack. Some were on the job continuously for more than 20 hours

New furniture arrives. As the doors open for business, tellers are making final adjustments in the new quarters





# Getting the Most from Finance Forum Publicity

MARY B. LEACH

**W**OMEN's and men's finance forums usually have this three-fold purpose: Education in banking and finance, attracting profitable business to the bank, and creating favorable publicity for the sponsor. High on the priority list of publicity aims should be arranging to get forums publicized in the general news and women's sections of the newspapers rather than on the financial pages exclusively. The bank's success in achieving its first and second aim to a considerable extent depends upon its third goal—favorable publicity. And all three hinge upon the sponsor's publicity preparedness.

If one of the forum aims of a bank is to get good publicity for itself, then the forum must, of necessity, be newsworthy. A study of the finance forum organization and publicity coverage of several banks indicates that the responsiveness of editors, size of headlines, and length of news stories varies with the name-value of speakers and their skill in hitting the wallet with facts and figures. New names and new facts are among the finance forum publicity musts, particularly after a bank has held a forum or two. Newsmen are not inclined to tell the same old story over and over again.

Like everything else that is worthwhile, a finance forum—whether for women or men—involves some hard work for the sponsor. But the consensus is that the effort is rewarded by the bank's realizing its goal. Here is the way W. N. Shearer, Jr., assistant vice-president of The First National Exchange Bank of Roanoke, Va., sums it up:

*These local forums were a lot of trouble and cost a little money. But the response we received, the excel-*

*lent publicity, and some new business leads made the whole thing worth while. We also feel we did a real service in pointing up for the ladies some every day financial problems to which they should know the answers.*

## Headlines Every Step of Way

The several forums co-sponsored by First National of Roanoke, the Virginia Federation of Women's Clubs, and the banks of Lexington, Appalachia, and Narrows were headline news every step of the way. An important reason was that local newspapers were able to quote generously from the remarks of the speakers. Its forums are full-day affairs, with morning, luncheon, and afternoon sessions. Here, in brief, is an outline of the organization and publicity plan followed by this bank:

*Arrangements should be made to have forums publicized in the general news and women's sections rather than on financial pages exclusively.*

(1) Bank representative consults with officials of the women's clubs co-sponsoring the forum and decides upon complete details as to time, place, speakers, menu, seating arrangements, etc.

(2) Each club's officers accept responsibility for publicizing the forum within their own club and for distributing tickets.

(3) Mailing list is compiled and invitations are mailed by the bank to key members of the women's clubs concerned.

(4) Bank officers visit clubs, when requested, and give a short pep talk in order to bolster the interest of club members. (Before its last forum, an officer of the bank appeared on a club district meeting and made a 10-minute sales talk.)

(5) Two weeks prior to the first

Speaker quotes win favorable position and increase headline size and length of story

## The Roanoke World-News

ROANOKE, VIRGINIA, Wednesday, Nov. 4, 1953

13

### Bankers Give Rules for Borrowing And Advice on Making Investments



FINANCE FORUM INTERMISSION—The Blue Ridge District of the Virginia Federation of Women's Clubs in cooperation with the First National Exchange Bank of Roanoke presented a forum on Family Financial Planning at Hotel

Roanoke today. Taking time out during the meeting are Paul S. Stentzler, moderator, Mrs. Johnson Nichols, who presided, and speaker Byron A. Hicks.

Two bank officials today pretty well gave the axe to the old adage, "Neither a borrower nor lender be."

In a forum on family financial planning, the two bankers made one point that you're not to know how and when to borrow and invest.

Byron A. Hicks, assistant vice president of First National Exchange Bank of Roanoke, and J. Harve Whitman, Jr., executive vice president of State Finance Bank and Trust Co. of Richmond, were the speakers.

THE OCCASION WAS the annual annual meeting of Blue Ridge District of the Virginia Federation of Women's Clubs, sponsored jointly with First National Exchange Bank.

Nearly 200 women heard the two officials analyze the two phases of finance at Hotel Roanoke.

Hicks told the women that proper use of credit can be summed up in one word, "confidence."

He said it is of primary importance that there be mutual confidence between borrower and lender. But more specifically he said there are two pre-requisites for wise borrowing. The borrower must have a proper use for the money and have an adequate plan for repayment from an assured source of funds.



session, a short news story covering plans for the forum is released to local newsmen. It includes mention of the educational purpose of the forum, names of sponsors, the topics to be discussed, names and background of speakers, who will be invited, and the name of the club, hotel, or bank where sessions are to be held.

(7) The day before a forum session, a press release featuring out-of-town visitors and local dignitaries who will participate is sent to society editors.

(8) Editors of the morning and afternoon papers are alerted in advance so as to get full coverage of the forum. Generally, the first half of the forum is reported, with pictures, by the afternoon paper and the luncheon and afternoon session are featured in the morning paper the following day.

(9) All publicity releases are sent to the press in Southwest Virginia cities to be represented at the forum by local women's clubs.

Speaking of publicity from the standpoint of arousing interest among the club women, Assistant Vice-president Shearer says he feels that, although newspaper coverage is necessary, there are two other important elements; namely, the enthusiasm of club officers and the personal appearance of bank spokesmen at club meetings.

### Meticulous Planning

The National City Bank of Cleveland, sponsor of two forums, is another bank that laid its plans with meticulous care and followed through on a timetable schedule of publicity releases. Russell E. Vunderink, assistant vice-president, who was in direct charge of the bank's forum promotion, gave these details of the organization and publicity plan followed:

A study of the forum experience of other banks was the first step. Next, National City surveyed the facilities available in downtown Cleveland and then chose the Wade Park Manor, a residential hotel near the city's cultural center. After deciding upon the forum topics, the bank invited two out-of-town women authorities to speak. They proved to be a drawing card to the women and gave the forum greater publicity appeal to the radio and TV stations and local newspapers.

The National City's invitation list

## WOMEN STUDY MONEY PROBLEM

Pack First Forum of National City Bank

More than 200 women expressed enthusiasm yesterday at the initial meeting of the Women's Forum on Economics and Finance, yesterday in Wade Park Manor. It was the first meeting of this kind here and was sponsored by National City Bank.

James B. Williams, chairman of the bank, outlined the evening with emphasis on the growing trend of the ownership of all properties in women's hands and complimented the women on their interest in proper handling of financial affairs.

When the bank's vice-president and economist, James M. Dawson, concluded his easily understood outline of American past present and future economic conditions, he was presented with so many written questions from the women about their own problems that many answers had to be postponed until next week's session.

### Computers With Dealer

Comparing the way in which an economist sees up the nation's economic conditions with that by which a dealer learns about his picture by looking for certain symptoms, Dawson showed the forum how the recession since last June has been a mild one.

Using simple charts, he showed how industrial production, food prices and incomes have held up well above the average of other recessions, while retail trade has suffered somewhat from consumer caution.

Consumers have more money to spend at this time after taxes



EXPLAINING the program before the start of the initial meeting of the Women's Forum on Economics and Finance yesterday in Wade Park Manor is Lewis B. Williams, chairman, National City Bank. He speaks. Interested members are Mrs. Robert R. Dick, 2240 Attleboro Road, Shaker Heights (left) and Mrs. Robert D. Albaugh, 2805 Fairmount Boulevard, Cleveland Heights.

CLEVELAND PLAIN DEALER, TUESDAY, APRIL 27

## BANKERS STRESS INVESTMENT PLAN

Recommend Care in Choice of Securities



The importance of careful investment planning was emphasized by Lewis B. Williams, chairman of the National City Bank of Cleveland, in his address to the Women's Forum on Economics and Finance yesterday. He stressed the need for careful selection of securities and the importance of staying informed about market conditions.

### A leaf from the National City Bank of Cleveland's forum scrapbook

was compiled from several sources. First, officers and branch managers were asked to suggest the names of women with whom they dealt; the names of other prominent Clevelanders were added; and 95 requests for tickets came in in response to advance radio and TV publicity. In addition, each of the first 900 women to receive invitations was asked to suggest the name of one friend.

Although its first forum did not start until April 19, 1954, the bank gave a luncheon in January for representatives of the Cleveland newspapers, radio and TV stations. Newsmen were thoroughly briefed on the bank's plans for the forum. No further publicity was given out to local newsmen for several weeks. Meantime, however, a release announcing the forum was sent to the banking press.

About a week before the first forum session, a representative of the bank personally delivered to each interested member of the working press and to radio and TV newsmen a complete kit of forum material. The kit included a news release on the forum, copy of the bank's printed invitation to prominent Greater Cleveland women, a reminder notice (sent out before each session), an

attractive white and blue spiral program-notebook, biographical sketches of the five speakers—three of whom were bank officers, and other pertinent data.

The news release covered relevant facts about the forum, such as the bank's objectives, the names and biographies of speakers, the subjects to be discussed and the fact that an opportunity would be given for questions and answers at the conclusion of each session. Photographs of speakers accompanied the releases.

A few days before each of the four sessions, the bank released a story featuring the forum session speaker and his subject. At the sessions, the sponsor's photographer took informal pictures featuring, at various times, the audience, the speaker, and small groupings of the women. These action shots were rushed over to the newsrooms for use while they were news.

The National City Bank, with an average attendance of 326 at its 4-session women's finance forum, followed up with a 1-day forum for attorneys, life underwriters, and accountants and it, too, received favorable publicity from the press.

(CONTINUED ON PAGE 143)



# Mortgage Production and Servicing Costs

MR. MARCHANT is vice-president and treasurer of The Bank for Savings in New York City. This article consists of the major portion of a talk which he gave at the annual Savings and Mortgage Conference of the American Bankers Association, held in New York early in March. An article on the conference appears on page 78.

IT is difficult to describe a method for controlling mortgage production and servicing costs that will satisfy everyone, but here is what we do at The Bank for Savings.

Our portfolio today is about \$308,000,000 and is 72% of assets, a figure which we hope to maintain at all times. It is the highest ratio, I believe, of mutual savings banks in this state. It consists of \$156,000,000, or 51%, in FHA loans, of which about \$38,000,000 is in home loans; \$64,000,000, or 21% in GI loans; \$88,000,000, or 28%, in regular conventional loans, of which small home loans are about \$7,000,000. To restate it, our small home loans number over 14,000 and are about 35% of the amount of the portfolio. All residential, small or large, are about 94% of the amount of the portfolio. So much for the present make-up of our portfolio.

## Producing the Mortgages

Now, to produce our mortgages, we find that we have to follow a definite procedure in order to meet our requirements. These are very rigid when it comes to type and quality of loans in accordance with policy laid down by our board of trustees, and are just the opposite when it comes to the area and manner of obtaining our loans. We expand our lending territory when loans are scarce and contract it when they are plentiful; we encourage local brokers to bring in as much business as they can obtain; we buy blocks of mort-

## R. F. MARCHANT

gages and individual large mortgages, at times, from brokers, investors, and others, and occasionally originate a loan on our own.

Emphasis is still on small home loans, preferably GI; but we will not make the loan if the borrower is required to pay out more than 20% of his normal gross income for mortgage carrying charges, principal, interest, taxes, and insurance. We lend to home owners only, and in new developments we commit to make permanent loans to none but owner-occupants whose credit is acceptable to us. We use outside local attorneys to close loans for us, usually at the borrower's expense, and have no legal department of our own. We have a staff of eight senior appraisers, some of whom are junior officers, under the direction of a vice-president, to go out and produce the volume of mortgages we need.

Last year, they produced or obtained from brokers with whom they had made contacts enough applications to enable the bank to make

commitments of over \$76,000,000 and over 4,000 by number. This was an average production of about \$9,500,000 and 500 commitments per man. We find cancellations for one reason or another amount to about 16%. Actual loans closed for the year were 3,100 or \$53,000,000. We spent \$240,000 for this production, which was 0.32% in terms of gross commitments made and 0.08% in terms of average portfolio.

## "Lifeblood of the Bank"

How did we control the cost of production? We didn't—except that we tried to be alert and to adapt ourselves to conditions as they changed. For example, since we believe that good mortgages are the lifeblood of the bank, in that they are, generally speaking, the best income producers available, we went after and produced mortgages which we needed a few years ago, even when they were quite scarce and extremely high. We paid up to four points in premiums on some of our mortgages. In addition, we expanded our lending territory so that we accumulated mortgages in 29 states, and had to delegate servicing to independent contractors at the usual rates for servicing, from ½ of 1% on small loans down to 1/20 of 1% on the larger ones. As mortgages became more plentiful, we were careful to contract our lending area as rapidly as possible and secure those loans which we could service ourselves. Likewise, we took advantage of the decline in premium rates on mortgages as quickly as possible and bought as many good mortgages at a discount as our resources permitted. We have warehoused a few of our commitments.

To sum up on production costs, we use a small number of efficient field men who produce our loans at a current over-all cost of 0.08% of

(CONTINUED ON PAGE 98)

Mr. Marchant





# Lending to Credit Unions

CHARLES L. MILLER

## *Safe, Profitable Business Can Be Had by Better Understanding of This Type of Loan*

*The author is assistant vice-president, The Connecticut Bank and Trust Company, Hartford. The subject matter of the article which follows is the same as that in Mr. MILLER'S thesis written for The Graduate School of Banking conducted by the American Bankers Association at Rutgers University, where he was a member of the Class of 1953. His thesis in condensed form was published in Present Day Banking 1954.*

LOANS to credit unions can be safe and profitable business for a bank. Bankers have already lost some of this volume of loans because of their lack of understanding of the credit. Banks may be in a position to lose more of these loans to wealthy credit unions and also to central credit union banks when and if the latter are authorized. Time-honored lending principles remain the same in handling this type of credit, but to the banker the problem may be new and the analysis unique.

Banks make unsecured loans as well as secured loans to credit unions. In some areas unsecured lending is the rule; in other sections fully secured lending predominates. There appears to be no particular reason for this variance in lending.

The three "C's" of credit, Character, Capacity, and Capital, apply to loans to credit unions as well as to other types of unsecured loans.

### **Character of Management**

Judging the collective character of the management of a credit union is a difficult and complicated task, because the affairs of a credit union are managed by two main bodies, namely, the board of directors and the credit committee. Its operations are examined by the supervisory committee, another management group. This type of organization presents a good set of checks and balances, but it also presents the

difficult problem of appraising the entire management, of which all but a bare majority is rotated each year.

### **Capacity of Management**

A lending officer must also be in a position to judge the ability of management as well as its collective character. In a strict business sense, this ability can best be determined by the profitable operation of the credit union. If it does not make money, it cannot pay dividends; if it does not pay dividends for a protracted period, it cannot stay in existence.

The business ability of management can best be discerned by the intelligent use of funds at its disposal. The asset side of the balance sheet reflects the use of the funds and determines the profitability of the credit union.

Idle cash in a credit union's checking account indicates a lack of business acumen. Such cash can earn nothing for the credit union and should never be more than a necessary working balance of 5% to 12% of total assets. A minimum of one-third of its resources should be in loans. If this amount is not loaned out, the management is not letting the credit union fulfill its purpose and cannot make much money. Preferably no more than 20% of its assets should be invested in savings and loan association shares. The management should invest the remainder of its assets in Government bonds.

A further insight into the capacity of management may be gained by reviewing the quarterly supervisory reports rendered by the supervisory committee and the report of examination by the state banking department or by the Bureau of Federal Credit Unions. The state or Federal authorities will not make these reports available to a bank, but they can be obtained from the credit unions themselves.

### **Capital of the Credit Union**

A credit union is a corporation without capital stock. Shareholders in a credit union assume the position of stockholders in an ordinary corporation, a fact well grounded in law. In the event a credit union becomes financially embarrassed, the general creditors of the corporation are paid out ahead of the members. It is important to remember that shares constitute ownership rather than creditor money. Therefore, having made a loan to a credit union which becomes financially involved or votes to liquidate, a lending bank would be paid out before any distribution could be made to shareholders. Since shares and undivided profits constitute, in most instances, the vast majority of total liabilities, a credit union will be recognized as having a broad and strong capital base.

In addition to the three C's of Credit, information and impressions can be gained from a review of the balance sheet, statement of income and expense, audit reports, and interviews with credit union officials and others. Analysis should take place along these lines.

### **Shares**

It should be determined whether the average share balance is increasing each year. This is some measure of the savings habits of the members and indicates whether the average member is saving. The normal source of loan funds of a credit union is the shares of its members. If a credit union has to borrow other than seasonally for the purpose of providing funds for loans, it may be regarded as failing in its object of promoting thrift.

An important fact to be determined is whether or not a few have a large portion of the share balances. If a few individuals control a large number of the shares, it would be advisable to obtain the endorsement



of the large shareholders or to decline an unsecured loan.

### Loans

If outstanding loans are less than one-third of total assets, it is felt by experienced credit union officials that the credit union is not doing the job for which it was intended. Such a proportion of loans to total assets would reflect an ultraconservative management, a cautious credit committee, and a credit union which would rarely seek funds.

The quality of the loan portfolio is a proper subject for analysis. The amount of the average outstanding note should be determined to ascertain the spread of the risk. A breakdown of the receivables according to unsecured, fully secured by shares, secured by liens, and secured by other signatures would be informative classifications for the credit officer. The policy on downpayments required by the credit union on the purchases it finances should be explored to determine its conservatism. Reviewing bad debt experience and the trend and amount of delinquent loans would be essential in determining the quality of the loan assets. In other words, an abbreviated questionnaire similar to those we have for finance companies would be most helpful and should be developed for credit department analysis.

The fact that the credit union is operating profitably should instill confidence. How profitable a credit union should be has not been authoritatively determined. It is generally felt that an established credit union should be able to pay a 2½% to 4% dividend after expenses and reserve requirements. If it cannot pay this dividend in this range, it does not have a good operation.

### The "Common Bond"

The first point in the analysis of the common bond of a credit union should be the location of the credit union or the company in which it operates. A harmonious relationship between the management of the company and the credit union officials is always reassuring to the lending officer. If the credit union operates in an old, well established company with experienced management and has survived wars and depressions, the risk of lending to the credit union located in it is diminished. The company is not likely to go out of business, and the credit union is likely

to stay in business, whereas it could not do so if the company failed. Steady rather than fluctuating employment in the company would improve the credit risk. Substantial increases and decreases in employment inflate and deflate the assets of a credit union rather quickly, and they present difficult money problems to inadequately trained credit union officials.

The second point in this analysis is the communal tie among the members. This is difficult for the lending officer to assess. A closely knit group will feel responsible for each other's welfare and for the obligation of the group. One of the best means of assessing this is to determine whether or not the actual membership is a constantly increasing percentage of the potential membership. More and more members in the credit union will reflect the popularity of the services of the credit union and will engender the feeling of belonging to an alert and cohesive organization.

How seriously they take the credit union motto, "Not for Profit, Not for Charity, But for Service," is a reflection of the common bond. If the credit union declares at its annual meeting a "patronage dividend," which is a refund of interest paid, a lending officer may assume that the credit union is living up to its motto. If the credit union is providing the fringe services of life insurance on savings and loans, of selling life insurance policies, or providing financial counselling, it is doing a good job in maintaining and strengthening the common bond.

### The Treasurer

The treasurer is the key operating person in the credit union. The daily routine of business is directed by him and the importance of having a competent man in this position cannot be overemphasized. A lender should be aware of the treasurer's abilities or faults before passing upon the loan application. This can be accomplished by means of a personal investigation of the treasurer. A conservative lender will make a special point in ascertaining whether the treasurer was elected to that position on the basis of his ability or his popularity.

In a small credit union the treasurer is not usually paid a salary. This office, then, is likely to change

hands every year or two in order not to burden one man too long. In such instances lenders will find it essential to evaluate each new treasurer.

Lenders agree that they would rather lend to a credit union which can afford a full-time, salaried treasurer. The fact that there is an official devoting all his energies to the credit union's affairs imparts a feeling of confidence among lenders. They know that there will be a low turnover in the treasurer's job and that one man is "on top" of the problems as they arise.

### Standards for Secured Loans

Secured loans to credit unions should be handled like secured loans to other borrowers. At the outset, the loan officer should satisfy himself with the character of the management. His analysis of the ability of the management and their financial reports does not need to be as penetrating as when lending on an unsecured basis; nevertheless, he should determine whether the credit union has a sound reason for borrowing and whether it has a mutually satisfactory plan of paying off the indebtedness. The loan officer would not wish to find himself ultimately in the position of selling the collateral to pay the note. He should read carefully the borrowing resolutions to determine whether or not they authorize the pledge of the property of the credit union. The property to be pledged must be appraised, its liquidity determined, and the possibility of its depreciation evaluated. A method for a regular appraisal of its value must be established. The property offered as security must be negotiable or rendered negotiable so that the bank can give a potential purchaser a good title.

### Interest Rates

Having in mind the money market, the risk involved, the account relationship, and the size and cost of handling the loan, as well as local competition, the lending officer should put an adequate rate on an unsecured loan. On well secured loans the interest rate may be properly reduced. The lending officer will, however, find credit union treasurers good "horse-traders." If he has to pay 4% or more for his money for any protracted period, the treasurer knows that borrowed money

(CONTINUED ON PAGE 137)



# The Month in Quotes



UNITED PRESS

White House Press Secretary James Hagerty reading to newsmen the President's message to seven European prime ministers on the subject of continued U. S. contribution to the Continent's defense. He said our withdrawal from North Atlantic treaty obligations "would appear quite contrary to our security interests when there is established on the Continent of Europe the solid core of unity which the Paris agreements will provide"

## Balance the Emphasis

"MANY AMERICAN investors in Latin America are small investors, interested in stability in the nations they make investments in. Thus, no undue emphasis should be put on disturbances in Latin America without giving more attention to the cultural, social, economic, and political development and progress in the area."—*Rene O. Becerra, managing editor, Diario La Tercera, Santiago, Chile, at a journalistic conference at Columbia University.*

★

## Never Too Early

"WE HOPE it [an attack] may never come. But it may come sooner than later. . . . We had all better dig and pray. In fact, we had better be praying right now."—*Civil Defense Administrator Val Peterson.*

★

## One Way to Put It

"I THINK that the stock market depends on the country, and the country is growing."—*Gen. Robert E. Wood, chairman of the Sears Roebuck & Co. finance committee.*

★

## A Long Chance

"TRADE in carefully screened nonstrategic items with the Communist bloc may at some time help to promote some basic understandings that will ultimately contribute to peace in the world."—*Secretary of Defense Charles E. Wilson.*

## Ties Across the Border

"In our differences with the United States we Canadians have to remember two things: one, that in any major war we must be on the same side; two, that in any major economic conflict we would suffer more than they would by a policy of retaliation."—*Lester B. Pearson, Canadian Minister of External Affairs.*

★

## Educational

"I'D SAY we're trying to understand the market. I have no axe to grind. I hope we'll find that it's sound and I certainly hope it's not on the verge of doing as it did in 1929. This is a kind of educational campaign to see if we can learn something about it."—*Sen. J. William Fulbright regarding the market "investigation" conducted under his chairmanship.*

★

## Reflection of Confidence

"... THE present market level is not the product of undue extension of credit or of unsound market activity, but reflects the confident appraisal of the general public in the present and future earnings and dividend prospects of business."—*G. Keith Funston, president, New York Stock Exchange, to Senate Banking and Currency Committee.*

Wire room in a Wall Street brokerage firm on one of the recent busy trading days, affected, some feel, by the market investigation in Washington. Sen. Homer Capehart objected to the negative cast of some questions that seemed to be "trying to prove that we are just a few skips from a crash like that of 1929"



UNITED PRESS



# GOVERNMENT BONDS

*Business outlook still optimistic . . . Good behavior of 3% bonds . . . Shortage of capital in relation to demand still indicated . . . Less than seasonal decline in loans . . . "Free reserves" at low level . . . Little, if any, new cash financing likely . . . Reduction in 1-year maturities*

MURRAY OLYPHANT

NOTHING has taken place, up to the time of writing, to alter the opinion expressed last month that the course of business would determine the course of interest rates. The business outlook has remained good. Unemployment figures have shown some increase, but not more than could be accounted for as seasonably normal.

In Great Britain the "bank rate" was raised to  $4\frac{1}{2}\%$  in order to apply the brakes to overoptimism and to protect the international value of the pound. But Canada, not liking the premium on its dollars, went in the opposite direction and lowered its rate. The United States stayed put, having no very clear indication of either unduly inflationary tendencies or of any business change for the worse.

For the present the factors leading to a somewhat higher cost of money seem to be more prevalent than any of an opposite character. Marketwise, lower prices still seem more likely than the reverse.

## Market Drifts Lower

All during February the market for Government securities—except for the less-than-one-year maturities—drifted lower. There seemed to be a continuance of the shift from intermediate-term bonds and the longer note issues into the new long-term 3% bonds. This depressed the prices of the former and helped to maintain the price of the latter.

The volume of transactions, which had been so very great during the period of subscription for the 3% bonds, shrank to the low ebb which had prevailed earlier in the year.

Declining prices were more the result of lack of demand than of any real sales pressure.

No change had occurred in the immediate business outlook which would have warranted the belief that money would be any easier. To date, the continuance of new housing starts seems to assure an ample supply of available mortgages. The supply of new corporate, state, and municipal issues has continued to be assured. Yields on Government securities were unremunerative in comparison with what could be realized from other investment media.

## Long 3% Bonds Behave Well

All during the period, however, there was evidence of continued absorption of the long-term 3% bonds by the larger investment funds, chiefly state and private pension funds. For a while the demand for the bonds seemed to be met from the supply which dealers had on hand, so that the price remained fairly stable in the 100  $\frac{4}{32}$  to 100  $\frac{8}{32}$  range. After March 1 the supply seemed to have lessened and the price rose above 100  $\frac{1}{2}$  where the yield was still about 2.99%.

## A Technical Price Rally

The decline in prices was interrupted early in March but was generally felt to be of a technical nature. Some slight rebound might have been expected. Perhaps some short positions needed correction. Perhaps the failure of the Federal Reserve to raise the rediscount rate in spite of rumors was encouraging. Perhaps the decline has overdiscounted any immediate further rise in the cost

of money. Whatever the reason, the rally was short-lived and was followed by only minor price changes—mostly lower.

## Shortage of Capital to Meet Demands?

Looking further ahead the vital question seems to be: Where is the money coming from to meet the anticipated capital requirements necessary to maintain and expand production? If the money is available, there should be no upward pressure on its cost. But, if not, wages for the "hire" of dollars will rise.

For 1955, estimates ("guesses") would be a better word) have been about \$23,750,000,000. But in 1954 commercial banks added over \$9-billion to their portfolios of mortgages and securities, of which about \$6-billion was Government issues. In doing so the banks lengthened the average maturity of their holding in the process of supporting the Treasury policy of refunding in the 5- to 10-year maturity range. By so doing, the banks must have sharply lowered their secondary reserve positions—perhaps to a point beyond which it would be unwise to go.

Furthermore there seems likely to be a sufficient demand for loans to leave little room for any further increase in their security holdings except of the shorter terms. What longer-term investments can be made seem likely to be confined to the better yielding mortgages and the tax-free obligations of Government subdivisions and "authorities."

Hence it seems reasonable to assume that in 1955 the commercial banks will be of very much less as-



sistance to the capital market than they were last year, so that other sources of investment must be found to take up the slack.

Various estimates have been made as to where other than bank suppliers of funds may be found. Perhaps corporations will increase their ownership of Government securities, but these would only be of the shorter term. Pension funds should continue their heavy purchases, but not too large a portion can be expected to take Government issues. When all the estimates have been added up, the conclusion can only be reached that an upward pressure on interest rates will be exerted because more capital will be required than can be readily supplied. The Federal Reserve can be counted on to make credit available in sufficient amount to prevent any undue rise in the cost of funds, but it is difficult to find any justification for expecting anything but a gradual firming of interest rates. Under these conditions,

improvement in the prices of the longer-term Government bonds can hardly be expected.

So far this year the decline in the loan portfolios of commercial banks has been decidedly less than seasonal. With the automobile industry producing cars at a rate which certainly cannot be maintained without glutting the market; with steel production rising steadily; with inventories being replaced, and with the likelihood that corporations will need to borrow to cover their heavy tax payments in March and June, it begins to look as though banks might find it difficult to maintain their reserve positions without assistance from the Federal Reserve authorities. So far these authorities have continued to maintain a "neutral" attitude.

#### **Open Market Committee Inactive**

From February 2 to March 2 the Federal Reserve portfolio of Govern-

ments declined \$323,000,000. Holdings of Treasury bills dropped to only \$888,000,000, the lowest amount held for a long time. Early in the month dealers were accommodated with about \$100,000,000 of repurchase agreements, but these were cleaned out quickly.

Utilizing their reserves to the fullest extent, the member banks were maintaining only a very small excess of reserves over their borrowings from the Federal Reserve banks. Weekly averages of "free reserves" were in the \$100,000,000 to \$300,000,000 range, but at times on individual days the surplus nearly disappeared. Furthermore, as has been true for some time, what excess reserves there were, were largely in the hands of the "country" banks, the larger institutions in the money centers obviously permitting not even a nickel to lie idle.

It is certainly evident that the Open Market Committee is simply  
(CONTINUED ON PAGE 150)

## **The Investment Markets**

**H. EUGENE DICKHUTH**

A POSSIBLE shortage of investment funds this year is the subject of discussion in banking and investment quarters these days. The demand for long-term funds is expected to be extraordinarily heavy in 1955. If these forecasts materialize, an upward pressure on long-term interest rates is likely.

President Eisenhower's 10-year highway program of \$100-billion is not included in these calculations, but merely the projects known so far, such as state, municipal, and corporate financing plans.

At this writing, at least 60 cities and towns are working on plans to eliminate their slums and rebuild their run-down areas under the 1954 Federal Housing Act. Three of the larger cities—Chicago, Philadelphia, and Minneapolis—as well as five smaller communities, so far, have had their plans approved by the Housing and Home Finance Agency.

According to official estimates, 20,000,000 dwellings in the United States need to be replaced or made more livable. This would take \$24-billion of Federal, state, and local government money in addition to

three times that amount from private sources.

Another new development in the investment field was brought forth by the first Inter-American Investment Conference at New Orleans. Some 500 persons attended from 21 Latin American republics, the U. S., and Canada.

The accomplishments included the establishment of an inter-American investment trust which is to be capitalized by businessmen and investment bankers in New York.

Also, Costa Rica and Peru announced investment guaranty agreements with Washington. A dozen private contracts, at least, were signed, some of them of substantial size, and scores of others were tentatively negotiated between North and Latin American businessmen.

More than 450 projects were outlined by the Latinos for potential investors from the North, and some of them stimulated considerable interest.

THE volume of new bonds offered in February declined sharply from January, but stock flotations were higher. Both classes of offerings

were higher than in February 1954.

New bonds in the face amount of \$567,800,000 were marketed, representing 100 new issues. This compared with \$1,066,219,000 for 140 issues in January and with \$558,034,000 for 84 flotations during February 1954. State and municipal issues dominated the market in February with \$343,800,000.

New stock offerings in February came to \$57,220,000, covering 11 issues, against \$54,370,000 for 13 issues in January and \$23,658,000 for seven issues in February 1954. Among stock financing, industrial issues accounted for \$29,703,000, while public utilities were \$27,517,000 for the month.

In the first two months of 1955, bonds totaling \$1,634,019,000 were marketed here for 240 new flotations compared with \$1,418,940,000 in 168 issues in the first two months of 1954.

Stock offerings in the first two months this year totaled \$111,590,000 for 24 issues, against \$67,670,000 for 19 flotations in 1954 and \$159,534,000 in 24 issues in the corresponding 1953 period.



# Post-Mortem Estate Planning

MARVIN L. MADESON

MR. MADESON is a member of the New York and District of Columbia Bars.

**D**ESPITE the efforts of the trust officer, lawyer, insurance man, accountant, and other professional, semi-professional, amateur, or commercial estate planner, decedents have in their later years with surprising frequency managed to avoid them all. The end result of this "advice avoidance" is that their property is passed on in such a way that any semblance of recent planning is purely accidental. Even so, it may not be too late for the executors or heirs, and their advisers, to improve materially the decedent's faulty handiwork. On the other hand, no small financial damage may be caused by ill-considered post-mortem action in connection with the estate affairs of a decedent.

Methods by which trust officers can help alleviate adverse results of this unfortunate tendency of testators and thus enhance their bank's professional reputation in the community were discussed recently at a forum held by the Practicing Law Institute. Participating were attorneys James B. Lewis and Mordecai Rochlin of Paul, Weiss, Rifkind, Wharton & Garrison; William E. Murray of Davies, Hardy & Schenck; and investment counselor Dwight Rogers of Scudder, Stevens & Clark.

## Life Insurance Policies

Most frequently, the precipitate rush of the surviving spouse to cash in life insurance policies can be expensive. Even though the 1954 Revenue Code ended the unlimited right to treat all payments under certain settlement options as "proceeds of insurance" and therefore free from income tax, life insurance still enjoys unique treatment. A surviving spouse may exclude from gross income up to \$1,000 of the interest element of installment payments which would be treated as taxable income if received by anyone else. Unfortunately, once the rights in the insurance contract on

which this tax privilege is founded are gone, the tax benefit is lost.

## Taking Against the Will

An impressive opportunity mentioned by the panel to secure additional marital deductions and thereby save estate taxes is presented occasionally to a surviving spouse by "taking against" the decedent's will. That is, by taking the portion of the estate provided to a wife by statute instead of the amount provided in the will. Even in smaller estates such savings possibilities are often overlooked and can prove important. Of course, since thorough knowledge of state inheritance laws and court decisions is needed, advice should not be given until you have explored the various avenues with legal counsel.

Taking against a will may be frowned on by sentimentalists, not to mention those whose economic interests are adversely affected, as disrespectful to the deceased. However, most people would prefer that their loved ones receive increased proceeds from the estate at the expense of diminution of estate taxes.

## Renunciation or Disclaimer

The panel also brought out that another chance to patch up a poor plan may be through renunciation or disclaimer of testamentary bequests or, in the absence of a will, of intestate distributions. Oddly, the renunciation of an intestate distribution has been held to result in a transfer of property and the renouncing beneficiary may be charged with a gift tax. On the other hand, disclaimer of property passing under a will fails to cause any such transfer and probably does not result in either an estate or gift tax. A timely renunciation may save large sums in future income or estate taxes for the family. The opportunity, however, may be lost by delay. Here again, consultation with one who is familiar with tax and local laws is recommended.

One panel member pointed out that the substantive consequences of the disclaimer would ordinarily gov-

ern the tax impact. If, for example a decedent with surviving wife and two children had willed his entire estate to his wife and she renounced the gift, the estate would pass as in intestacy. In New York and many other states the widow would then get one-third of the estate and the remaining two-thirds would be divided equally between the children. Assuming no property passing outside the will, the marital deduction is decreased by the wife's renunciation thus increasing the immediate estate tax load. On the other hand, the remaining two-thirds of the estate is now diffused immediately into the lower tax brackets of the children. Moreover, upon the death of the disclaiming widow only one-third of the husband's estate will be taxed on top of her estate.

## Partial Disclaimers, Also

Partial disclaimers also came in for attention. Among the questions raised was whether in a testamentary trust for the life of the beneficiary with the remainder over to a charity, where the beneficiary is given a trustee's discretion to advance principal for her "welfare, support, comfort and happiness," can the beneficiary effectively renounce the gift so far as "comfort and happiness" are concerned without also giving up the right for "welfare and support?" Similarly, can a beneficiary renounce a portion only of the share provided by the decedent? These unresolved questions have a bearing on the growing trend of using "adjustable" marital deduction clauses in which the surviving spouse is left an amount presumed to be greater than the maximum marital deduction with the expectation that she will disclaim enough of it to leave the estate with a mathematically correct maximum marital deduction and no more.

The discussion ended with a reminder that while there are times when proper post-mortem advice can minimize estate taxes and remedy other inequities, it is much safer and wiser to plan an estate during decedent's lifetime.





"We are well pleased with the installation,"

says Mr. Elwood Brooks, President, Central Bank & Trust Company, Denver, Colorado.



**THIS STRIKING ENTRANCE** was especially designed to create a modern note, yet still blend well with the architectural design and the dignified atmosphere of this long-established bank. Architects for this modernization work were Smith & Hegner, Denver, Colo.



"THE recent installation of Pittsburgh Plate Glass in the elevator entrance to the Central Bank Building has added much to the decor of the building. The modernistic air of our entrance reaffirms the Central's policy of a 'time-tested institution keeping pace with modern trends'."

The growing use of modern glass store fronts is really paying off for all types of businesses that must create a favorable impression upon the public. People are attracted—and impressed—by the institution that presents a pleasing, inviting appearance through its attractive front. This new, modern design also creates a feeling of progressiveness, and makes the prospective client feel that here is a bank that is keeping up with the times . . . one that will specialize in efficient service in a congenial atmosphere.

To get additional information on Pittsburgh Store Front Products—and their adaptability to your bank and the retail properties owned and operated by your bank—just send for a free copy of our booklet, "How To Give Your Store The Look That Sells."

Store Fronts  
and Interiors  
by Pittsburgh



Pittsburgh Plate Glass Company  
Room 5204, 632 Fort Duquesne Blvd., Pittsburgh 22, Pa.

Please send me a FREE copy of your modernization booklet.  
There is no obligation, of course.

Name .....

Address .....

City ..... State .....



PAINTS · GLASS · CHEMICALS · BRUSHES · PLASTICS · FIBER GLASS

PITTSBURGH PLATE GLASS COMPANY

IN CANADA: CANADIAN PITTSBURGH INDUSTRIES LIMITED





Officials of the Bank of Rakjat Indonesia confer with A.B.A. deputy managers. Left to right, A. G. Brown, deputy manager in charge of the Agricultural Commission; J.M.M. Pandjaitan; Mas Soepono; Mas Ngabei Pintoso Kromodihardjo; Walter B. French, deputy manager in charge of the Credit Policy Commission; George R. Amy, deputy manager in charge of Country Bank Operations Commission; and R. Eddy Prawira di Nata

## News for Country Bankers

### Indonesian Bankers at A.B.A.

FOUR officers of the Bank Rakjat Indonesia (Peoples Bank of Indonesia) are completing a 10-month study of banking methods in the United States.

Their tour, sponsored by the Indonesian Ministry of Economic Affairs and the Foreign Operations Administration, included visits to The First National Bank of Minneapolis, The Marine Trust Company of Buffalo, The United States National Bank of Portland, Oreg., the Seattle-First National Bank, Federal Reserve Bank of Richmond, International Bank of Washington, D. C., and The Chase National Bank, New York City.

While in New York the bankers called at the offices of the American Bankers Association, where they conferred with various department heads.

Three members of the group are managers of their bank's branches in Indonesian cities; Mas Soepono, Pati: R. Eddy Prawira di Nata, Bogor; Mas Ngabei Pintoso Kromodihardjo, Madura. The fourth, J. M. M. Pandjaitan, formerly manager at Bangka, is now attached to the main office in Djakarta.

Aside from private credit sources,

Bank Rakjat Indonesia is the largest supplier of rural credit. It maintains contact with rural borrowers through 6,500 village loan committees as well as through mobile units which provide a weekly service to villages and towns in the vicinity of its established branches.

### New Service Charge Study

A SPECIAL committee of the Country Bank Operations Commission of the A.B.A. met in Chicago recently to complete a study dealing with the general subject of bank service charges.

This study, *A Complete Service Charge Program for Smaller Banks*, will be published and distributed to all Association members some time in May of this year.

### A.B.A. Stand on Wool Incentive Payments

THE Agricultural Commission of the American Bankers Association recently urged that if the U. S. Department of Agriculture is to make assignable incentive payments for wool production, under the 1954 National Wool Act, assignments be given only to lenders who finance sheep operations of the

grower involved. Representing the banks at the hearing before James A. McConnell, Assistant Secretary of Agriculture, were Donovan E. Crouley, member of the A.B.A. Commission and chairman of its Livestock Committee, who is vice-president, Northwestern National Bank of Minneapolis, Minn.; and Leonard N. Burch, a member of the Livestock Committee, and vice-president, The Denver (Colo.) National Bank. E. Morton Jennings, Jr., vice-president, The First National Bank of Boston, Mass., assisted in preparing the A.B.A. statement.

Following passage of the 1954 Wool Act to encourage American production of wool, various groups representing the wool industry split sharply over a proposal to allow producers of wool to assign their incentive payments. The division of the industry was between marketing agencies and organizations of growers. The big hearing room at the Department of Agriculture was filled to capacity by representatives of various segments of the wool industry.

In his official statement on behalf of the A.B.A., Mr. Crouley said:

The American Bankers Association realizes that permission to as-

(CONTINUED ON PAGE 69)



# Introducing

a sensational new  
microfilmer by the originator of modern microfilming



## the Recordak Reliant

bringing you more for your microfilming dollar than ever before



# More for your microfilming dollar



**New Recordak Reliant gives you all of these plus features at surprisingly low cost**

## Speed

More than 400 checks . . . up to 140 letters can be photographed per minute. A revolutionary automatic feeder sets new standards for precision and accuracy . . . all but ends possibility of "missed" pictures.

If two documents are fed together, they're halted in feeder . . . do not travel into machine. Operator can separate them immediately.

## 3 reductions

You'll say it's like having three microfilers instead of one! You'll be able to choose the picture size best suited to each microfilming job. Easily interchangeable lens kits afford reduction ratios of 40 to 1, 32 to 1, and 24 to 1.

Takes only a minute or two for operator to switch lens kits for desired reduction. (One lens kit is included . . . other two are low-cost accessories.)

## Film economy

At 40 to 1 reduction—highest today in 16mm automatic microfilers—you can record up to 29,000 check-size records on 100 ft. of film.

## 3 ways to record

- (1) Duplex—the fronts and backs of documents are recorded simultaneously side by side on the film.
- (2) Duo—the fronts of documents are recorded down one side of the film, then up the other.
- (3) Standard—the fronts of documents are recorded across the full film width.

## Exposes 2 films

You can make *two film copies simultaneously* . . . at all reduction ratios and with all three microfilming methods. This is a big advantage when extra films are needed for vault-storage protection, off-premises storage, etc.

## Endorses or cancels

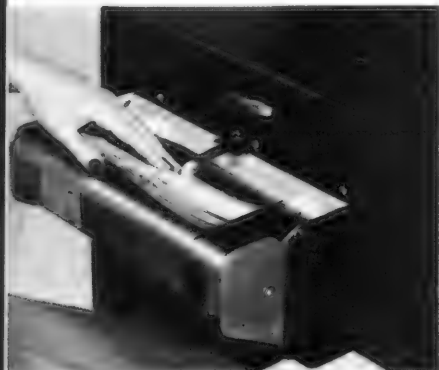
The Reliant does two jobs at once—combining endorsing or cancelling with a fast, smooth microfilming operation. The time saved quickly pays for the precision-built endorser unit—optional as a reasonably priced accessory.

## 12-inch documents

no problem! Documents which are slightly oversize or are fed crookedly can be photographed without becoming creased or torn. The extra margin we've allowed over the "11-inch by any length" photographic field, plus the glass "document guides," take care of all such irregularities . . . contribute to your trouble-free operation.

## Eye-level stacking

is the greatest convenience for your operator. She sees the documents pouring out . . . neatly stacked in original sequence. No stooping, no reaching to remove them—they're at her fingertips. And it's no effort, either, to adjust stacking tray for varying document sizes. Other conveniences: when she wants to change lenses, or load or unload film, the access doors to film unit are right above the stacking tray; and film threading guides make loading a snap.



**New high-speed, precision feeder** lets you feed documents by the handful with utmost accuracy . . . stops "double feeding" into machine.



**Here's extra protection.** Two rolls of film can be exposed simultaneously at reductions of 40 to 1 . . . 32 to 1 . . . and 24 to 1; and with all three filming methods.



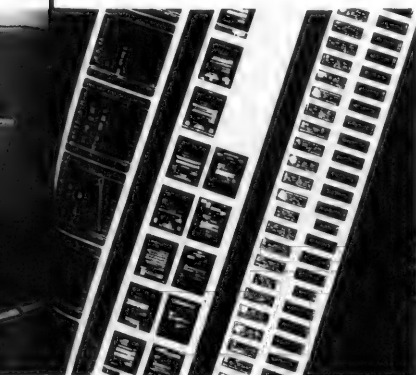
**Without a wrinkle or tear.** Extra feeding width and glass document guides make it easy to photograph large sheets . . . compensate for "crooked" feeding.

To  
fron  
side,  
othe



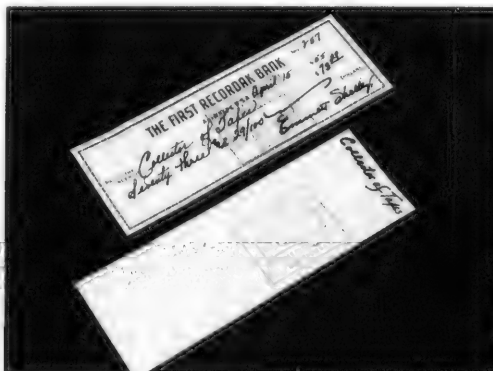


**New Recordak Reliant** makes microfilming an easier, more efficient routine. All controls, feeder and stacking tray are at operator's fingertips. Item counter and film footage indicator are checked at a glance.



Extra guides sheets feeding.

**To suit your needs.** You can film fronts and backs simultaneously side by side; film fronts down one side, up the other . . . or across full film width.



**Eliminates a separate job.** When the new accessory endorser is added, checks can be endorsed or cancelled automatically while being microfilmed. Note how this low cost accessory unit becomes a compact part of machine . . . conforms with Reliant's trim design. Separate dies for endorsing or cancelling are available at nominal cost.





# More for your microfilming dollar year after year

Compare the Recordak Reliant with any other microfilmer. Check its operating features one by one. Look inside and check its rugged construction details... see for yourself that the Reliant is built for years of faithful, efficient performance—to produce microfilm records of consistently fine quality, roll after roll.

Advantages developed in over 27 years of specialization in microfilm equipment by Recordak are all incorporated in the Reliant:

- Revolutionary new self-adjusting feeder; a marvel of precision, accuracy, and efficiency.
- Specially designed spacing control to prevent film wastage, assure maximum number of film images per foot with either automatic or hand feeding.
- Alarm systems which signal operator when film is improperly loaded, or supply is nearing exhaustion.
- Glass document guides to assure sharper pictures.
- Machine automatically stops when a lamp burns out.
- Machine serial number filmed repeatedly throughout length of film so that Recordak laboratories can check operating efficiency of individual machine as disclosed by



film records, and dispatch a service technician to make repairs or adjustments when necessary.

A companion reader, low cost, and complete with its own single purpose lens is available as a separate unit with the Recordak Reliant. Current microfilming operations thus need not be interrupted by reference to old film records. The film reader can be placed where finished film records are retained, and provides for rotating the film so that images are enlarged upright on the screen irrespective of positioning on the film.



The Recordak Reliant, as with all Recordak Microfilers, is manufactured to highest engineering and optical standards by Eastman Kodak Company.



And don't forget the film you will use in your Recordak Reliant is made by Kodak, too. You'll find it consistently uniform — roll after roll.



In Recordak's 31 Processing Stations films are processed to meet U. S. Bureau of Standards specifications for archival films... by professionals.



New Recordak Reliant fits on a table or desk, or, if desired, on its own special stand.

## See the New Reliant... Get all the facts soon!

Write today to Recordak Corporation (Subsidiary of Eastman Kodak Company) 444 Madison Ave., New York 22, N. Y. Or phone MUrray Hill 8-1212.

### RECORDAK

(Subsidiary of Eastman Kodak Company)

**Originator of modern microfilming—  
and its applications to banking routines**

"Recordak" is a trade-mark



## News for Country Bankers

(CONTINUED FROM PAGE 64)

sign or not to assign incentive wool payments is a highly controversial subject. If such assignments are to be permitted, we believe that, in order for the 1954 National Wool Act to benefit the grower only, as apparently is intended, such assignment should be given only to the lending institution which finances the sheep operations of the grower involved. Whether the assignment of incentive payments is permitted or not, banks will continue to finance the production and marketing of wool.

Following presentation of the formal statement, Mr. Crouley and Mr. Burch orally clarified some of the terms, particularly with reference to "the lending institution." Representatives of the banks urged that if assignments of the incentive payments are permitted, they should be made to support the production of wool and to the lender actually concerned with financing production. Such a lender might be a bank; a production credit association; and in isolated cases, marketing associations and wool dealers.

It was emphasized in the testimony that the banks of the nation are concerned primarily with the financial soundness of the operations of the wool producer and his welfare and that banks will continue to finance the production and marketing of wool for sheep operators whether the assignment of incentive payments is permitted or not.

Decision was made by the Department of Agriculture and announced on March 11 that assignments will be permitted to financing or marketing agencies which make loans or advances on sheep, lambs, or wool. The grower will be permitted to make only one assignment of his wool payment and the assignment must be filed with the county office of the Agricultural Stabilization Committee.

Full information on assignments and the required forms and regulations are expected to be in ASC offices by April 1.

### G.S.B. Agricultural Theses

GRADUATE SCHOOL OF BANKING theses specifically pertaining to banking and agriculture in the new 1955 edition of *Present Day Banking* include the following:

*The New England Timber Grower and His Banker*, by ANSGAR R. BERGE, secretary and assistant counsel, Federal Reserve Bank, Boston.

*Interbank Relations in Financing Agriculture*, by EDGAR T. SAVIDGE, secretary, Agricultural Commission, American Bankers Association.

*A Study of the Citrus Industry with Emphasis on the Conditions that Exist in Southern California*, by HORATIO N. WARREN, manager, Bank of America N.T. & S. A., Fullerton, Calif.

These theses were written by members of the G.S.B. graduating class of 1954 and were accepted by the School's Library Thesis Committee for placement in the libraries of the American Bankers Association, Rutgers University, Harvard Graduate School of Business Administration.

The three theses listed above, together with 35 others on topics of general interest to bankers, may be purchased from BANKING in *Present Day Banking*—1955.

### Irrigation Tips

IN the customer news letter of the First National Bank of Quitaque, Texas, for March may be found some interesting irrigation tips offered by Robert Thurmon, irrigation specialist:

(1) Your winter-watering should

be going on now. It is the *cheapest*, most important watering that can be made under any type of irrigation.

(2) At this time of year you are not doing a good job of watering unless you are wetting the soil to a depth of at least four feet.

(3) If you have not made a water analysis and soil tests you should do so. Your county agent will be glad to assist with these tests.

(4) When should you put off irrigation to wait for a rain? Mr. Thurmon offered this advice: "Go out and look at the clouds, wait 10 minutes, then irrigate!"

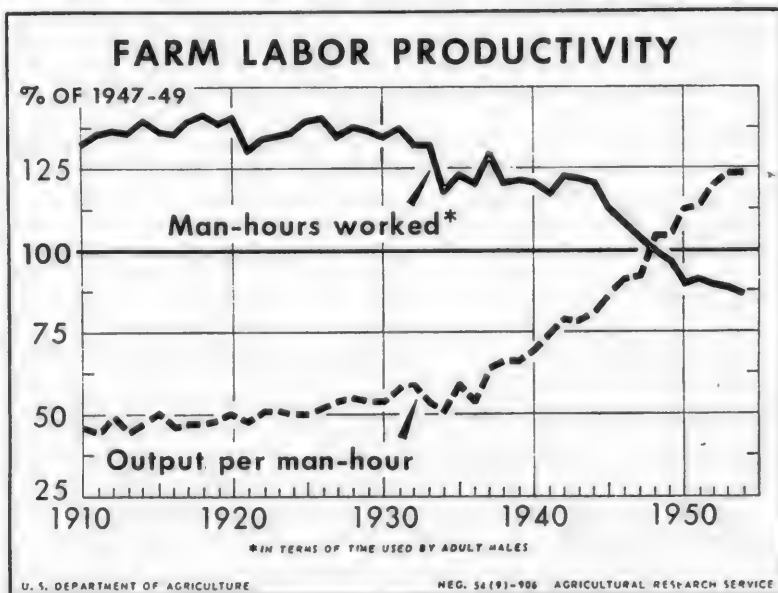
Mr. Thurmon spoke at an irrigation school for farmers, businessmen, and FFA students arranged by the local county agent.

### "Ag" Specialists' Demand

BANKS expect to employ 4,000 to 6,000 agricultural college graduates to serve as farm bank agents during the next 10 years," according to *Careers Ahead*, a recent study made by the Association of Land-Grant Colleges and Universities in cooperation with the National Project in Agricultural Communications.

This 34-page two-color brochure, designed to induce more college students to seek a career in agriculture,

Greater production with fewer workers means that farm output per man-hour is now almost twice as great as the pre-World War II average and over a fifth higher than in 1947-49. Advances in farm mechanization are a leading factor in the reduction of man-hours. Higher crop yields, more livestock on farms, and greater livestock production also have contributed to increasing labor productivity





points out that each year agriculture needs 15,000 new agriculturally trained college graduates. This is nearly double the 8,500 agricultural specialists graduated from land-grant colleges each year.

The brochure carried a chart showing the estimated new annual demand for specialists in eight fields of agriculture, as follows: Agricultural research, 1,000; agricultural industry, 3,000; agricultural business, 3,000; agricultural education, 3,000; agricultural communications, 500; agricultural conservation, 1,000; agricultural services, 1,500; and farming and ranching 2,000.

Agriculture is the basic industry—the BIG JOB, states *Careers Ahead*, and it supplies figures to prove its point: "Of 62,000,000 employed Americans, 25,000,000 work somewhere in agriculture—10,000,000 on farms, 6,000,000 produce for and service farmers, and 9,000,000 process and distribute farm products. In addition, a quarter-million scientists directly serve agriculture. About 40% of all jobs are in agriculture—jobs important to everyone, jobs with futures, jobs with financial and personal rewards!"

## New Social Security Guide

A NEW booklet, *Farmer's Social Security Guide*, published by the Service Publishing Company,\* gives a digest of the provisions of the Social Security law pertaining to farm operators.

Under "Optional Reporting," space is devoted to a discussion of the provisions of the law granting concessions to self-employed farmers—concessions not given to any other self-employed group. The law provides that the farm operator has a choice under certain conditions of reporting half his gross income as his net income.

Other aspects of the Social Security law are discussed in detail.

\*223 Fourth Avenue  
Pittsburgh 22, Pa.

## Fertilizer Loan Pointers

IN a booklet on how fertilizer fits into a farm lending operation, published by the Ohio Bankers Association, may be found these comments:

"Fertilizers must be used properly if their potential is to be realized. But, how can a banker know the fertilizers for which he lends

money will be used wisely? How can he know a loan for yield-increasing purposes is sound? How can he avoid the pitfalls of bad agricultural practice?

"First, the bank should have an 'outside-the-bank' program. . . .

"Second, the bank should directly seek advice from the State College of Agriculture. The State College will prescribe a simple method by which the soil can be tested and upon which fertilizer recommendations can be based. The college representatives will tell the bank or the farmer which crops are suitable for the soil, which are the most profitable, and will advise on rotations and soil conservation.

"Third, the bank should avail itself of the services of local agricultural workers, such as the county agent and the SCS.

"Fourth, the bank should encourage each farmer to carry out small-scale experiments on his own farm. The State College recommendations are necessarily based on average conditions. They are safe. They make no pretense of realizing the fullest potential of each piece of ground. Most State College officials would be ready to admit that each field usually has peculiarities of its own. These can only be discovered locally.

"So—every farmer should try a few variations on small plots of his own. And it is good practice to leave a small strip unfertilized as a means of checking on the actual benefits derived from fertilizer on the balance of the field."

## Farmer's Crop Restriction Suit Against Government

THE suit of Joseph Blattner, a Pennsylvania farmer since boyhood, asking that the Government be enjoined from preventing him from raising his usual crop on his own land and from collecting a \$179.20 penalty from him is discussed in *In Brief . . . Agrarian Reform*, by Paul L. Poirot of the staff of The Foundation for Economic Education, Inc.\*

Mr. Blattner contends he needed all of the 24 acres of wheat he sowed to feed his 6,000 laying hens, although the Government notified him he was allowed only 16 acres and penalized him for the extra output. This action, he states, takes his property without due process of law, thus depriving him of equal protec-

tion of the law while benefiting others without compensating him—in violation of the Fifth Amendment to the Constitution.

He states that he never asked for nor received any assistance from a Federal agency; that his entire chicken and egg output is sold within Montgomery County, involving no interstate trade; and that all corn and wheat he harvests goes to feed his own chickens. Mr. Blattner's complaint also states that the Government has restricted his right to market wheat to his neighbors by denying him a "wheat marketing card" because of the allegation that he harvested more wheat than permitted. Moreover, he is prohibited from buying wheat from his neighbors who may not have such a card.

## Government to Restrict Corn

The plaintiff states that he has been advised that the Government in 1955 plans to prevent him from raising enough corn on his farm for his chickens. He alleges that the acts of the Government will put him out of business, since the prices of his eggs and chickens are not arbitrarily fixed, while the feed the Government "is forcing the plaintiff to buy to produce his product is so fixed." He does not request that the prices of these foods be fixed, but that he be permitted to raise the feed on his farm to produce the eggs and chickens at as low a cost as possible, so he can sell at the low price and remain in business.

Mr. Blattner asked that the Federal laws supporting these actions be declared "unconstitutional and void" and that the Government be restrained from collecting any penalty from him; that Government agents be enjoined from preventing his raising his usual crops on his land; that Government actions described in the complaint be decreed in violation of the Fifth Amendment; that the Government be enjoined from interfering in the sale of plaintiff's produce or in his purchase of wheat necessary for his farm operation; and that "such legislative regulations, orders, and edicts as have been originated in the executive branch of the Government be declared null and void."

In his booklet, Mr. Poirot takes a look at the agrarian reform methods of the communists and socialists.

\* Irvington-on-Hudson, N. Y.





## FOR FEED... SEE MURPHY'S



## FOR FINANCING... SEE YOUR BANKER

When a farmer wants to finance a feeding operation we tell him to see his banker. Our business is making livestock and poultry concentrates that balance up farm grains and roughage. We offer the farmer a low-cost feeding program that gets top results for a small investment.

We believe his local banker is best fitted to offer him the experience and wisdom that comes from having made many feeder loans.

The banker is a specialist in making loans and safeguarding investments. Many times, his judgement will save a farmer from an ill-timed or ill-advised feeding venture.

The MURPHY PRODUCTS COMPANY are specialists in making Concentrates to balance home-grown feeds. We have helped many farmers get better results at a lower feed cost. Because of this, some feed dealers and bankers feel that MURPHY feeders are better credit risks. Naturally we are happy about that. You can be sure any time you make a loan to a MURPHY feeder, there is no financial contract between him and the MURPHY PRODUCTS COMPANY. We are happy to leave financing to the bankers—they have done a wonderful job of it. That is why we say: For feed—see MURPHY'S; For financing—see your banker.

# MURPHY

PRODUCTS CO., BURLINGTON, WIS.



# Bulk Milk Tank Financing

Farmer should consider type and size of tank . . . He should use caution in arranging financing . . . Bank makes 30- to 36-month loans at 5½% interest

ROY SCHABEL

*The author is manager of the farm loan department of The Connecticut Bank and Trust Company, Hartford.*

**T**wo years ago the interest in bulk milk tanks reached the stage where dairy farmers in Connecticut were willing to invest \$1,000 to \$3,000 to efficiently handle their milk on the farm.

The Connecticut Milk Producers Association, representing 58% of the wholesale dairy products in the state, did an outstanding job in the way of research in the use of bulk milk tanks, and recommended it to their farmers to help produce a better quality of milk. Now 43% of their milk is produced by farmers having bulk milk tanks.

They also pointed out that farmers with a bulk milk tank could expect the following savings on a per cwt. basis in comparison to the use of the ordinary 40-quart milk cans. An additional 5 cents per cwt. quality premium is paid by the milk dealer, a 4 cents per cwt. additional amount on milk is saved (½ lb to 1½ lb per milk can emptied), and a 3 to 4 cents per cwt. additional amount of saving

on butterfat that formerly adhered to the collar of the milk can; plus a 2 cents per cwt. saving against rental of milk cans. In some instances savings have been made relative to transportation cost. All in all these savings are enough to justify farmers who are producing 200 quarts of milk or better per day in buying a bulk tank.

## Pick-Ups

To begin with, the dairy farmer should consider the size and type of tank to buy, they range from 60-gallon to 1,500-gallon capacity. Tank size depends on whether there will be daily or every-other-day pick-up. Every - other - day pick-up means cleaning a tank only half as often and also saves time and travel for the hauler. For smaller producers every-other-day pick-up would seem necessary. The capacity of the tank should be worked out between the producer and the dealer.

If every-other-day pick-up is anticipated, it would be necessary to have a tank with a maximum capacity of four peak milkings.

Farmers should consult with their milk inspector when planning to in-

stall a bulk tank system. The decision to purchase a particular bulk milk tank should be based on careful study of the desirable features of available tanks. There are two general types of bulk tanks, identified by the method of refrigeration; ice-bank and direct expansion. Both types have given good service when properly installed and operated correctly. In general, operating costs should be cheaper than with the conventional milk cooling methods.

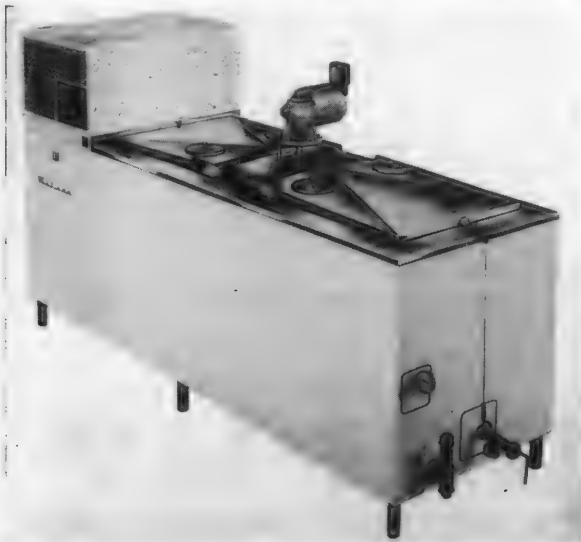
Farm milk tanks should be able to cool the milk to 50°F. within the first hour after the completion of milking and to 40°F. by the end of the second hour. This is the minimum rate of cooling required by 3A standards of the United States Public Health Service.

## Cooling Standards

Some tanks are designed solely for every - other - day pick-up, i.e., they cool one quarter of their capacity at one milking period. These tanks are unsuitable for daily pick-up at their rated capacities because they will not be able to cool one half of their capacity in the prescribed time. A tank with a cooling capacity sufficient only for every-other-day pick-up should not be purchased if it may eventually be used to cool more than one half of its total capacity each day. A requisite of the satisfactory performance of the tank is its ability to maintain the temperature of the milk within plus or minus two degrees of the desired storage temperature (40°F.).

In making milk pick-ups, the hauler couples the hose from his tank truck to the farmer's bulk tank and pumps out the milk. He then rinses the tank with lukewarm water, after which it is up to the farmer to use special brushes, hot water, and a chemical sanitizer to cleanse the tank.

Some farmers have had to face the problem of building a new milk  
(CONTINUED ON PAGE 103)



★  
This 250 - gallon ice bank bulk milk tank is one of the types being installed by dairy farmers  
★



## Symbols of progress

Power is the strength of our growing economy. It is the harnessing of energy from many sources . . . from rushing water, put to work by hydro-electric plants . . . from superheated steam, spinning thousands of turbine blades . . . from petroleum, through internal combustion engines . . . and now, from the atom itself.

All these forms of power are symbolized in the cover of the Allis-Chalmers Annual Report for 1954 shown at the right.

In the future as in the past, Allis-Chalmers is dedicated to leadership in power for better living . . . whatever the source of energy.



For copies of  
the Annual Report write

Allis-Chalmers Manufacturing Co.  
Shareholder Relations Dept.  
1175 S. 70th Street  
Milwaukee 1, Wisconsin

## ALLIS-CHALMERS HIGHLIGHTS

1954 1953

Sales and Other Income . . . . .	\$495,310,486	\$516,574,615
All Taxes . . . . .	32,986,891	29,807,177
Earnings . . . . .	26,130,430	21,943,569
Per Share of Common Stock . . .	7.20	6.58
Dividends Paid to Owners of Common Stock . . . . .	13,421,584	12,403,690
Per Share . . . . .	4.00	4.00
Shares of Outstanding Common Stock . . . . .	3,475,377	3,267,209
Earnings Retained for Use in the Business . . . . .	11,488,809	9,088,998
Number of Employees . . . . .	33,865	36,697
Wages and Salaries . . . . .	157,121,943	155,761,969
Owners of Common Stock . . . . .	35,465	33,029
Book Value per Share of Common Stock . . . . .	68.18	65.59
Total Share Owners' Investment . .	273,086,827	226,354,685
Working Capital . . . . .	263,751,912	207,958,585
Total Assets . . . . .	410,575,188	401,503,323

## CHIEF PRODUCTS

### Tractor Division:

Farm and Industrial Wheel Tractors, Harvesters, Farm Equipment, Crawler Tractors, Motor Graders, Motor Scrapers, Motor Wagons, Pull-Type Scrapers, Power Units, Engines.

### General Machinery Division:

Steam, Hydraulic, Marine and Gas Turbines; Electric Generators, Motors, Controls; Transformers, Switchgear, Regulators; Steam Condensers; Pumps; Blowers; Crushers; Cement Kilns; Mining and Processing Machinery; Foundry Equipment; Betatrons; Nuclear Power Equipment.

### Buda Division:

Fork Lift Trucks; Towing Tractors; Diesel, Natural Gas, Butane and Gasoline Engines; Earth Boring Machines; Railroad Supplies; Jacks.

## PLANTS

West Allis, Wis.; Springfield, Ill.; Harvey, Ill.; LaCrosse, Wis.; Terre Haute, Ind.; Cedar Rapids, Iowa; Norwood, Ohio; LaPorte, Ind.; Pittsburgh, Pa.; Boston, Mass.; Gadsden, Ala.; Oxnard, Calif.; Independence, Mo.

Foreign: Essendine, England; Lachine, Quebec; St. Thomas, Ontario.



**ALLIS-CHALMERS**



# BANK LAW NEWS

## False Pretenses — Forgery

### FALSE PRETENSES ON THE PREMISES

**Courts hold coverage of bankers blanket bond is not limited to tangible property taken from the premises.**

Two recent cases appear to be the first in which courts have held specifically that the clause in the bankers blanket bond which insures against "*any loss of property through . . . larceny (whether common law or statutory) . . . [or] false pretenses, . . . whether effected . . . with or without negligence on the part of any of the employees*" is not restricted in its coverage to physical thefts of money or other tangible property from a bank's premises.

The first case involved a kiting operation which resulted in the closing of one small Missouri bank and a substantial loss to another, the plaintiff in the case. Specifically, the loss occurred because plaintiff permitted the kiter to draw against a deposit of three checks which later were returned for "insufficient funds" by the drawee bank, the other victim of the swindle.

Plaintiff sought reimbursement from its surety for a loss through "false pretenses on the premises." The surety denied liability, arguing, among other things, that (1) the term "false pretenses" must be given the same meaning in the bond which it has in the Missouri statutes, and the facts of the case did not show any "false pretense," as defined therein; (2) when the bank gave the kiter immediate credit for the checks in question, it was "lending him money" for the time it took to clear them, so that when they proved worthless the loss was actually a loss from a bad loan; and (3) the loss was not a loss of tangible or physical property from the bank's premises.

The U. S. Court of Appeals for

the 8th Circuit upheld a Federal District Court decision adverse to the surety (118 F. Supp. 933). It held, first, that the kiter's conduct constituted "false pretenses" under both the ordinary meaning of the term and the Missouri statutory definition and, therefore, that it was unnecessary to decide whether the statutory definition should be read into the bond.

As to the contention that the loss was the result of "nonpayment of loans," the court cited its decision in a case brought against the same surety by the other swindled bank, wherein it was held "inconceivable" that the loss could be so construed. (See: *Hartford Accident & Indemnity Co. v. F.D.I.C.*, 204 F.2d 933, reported here in October 1953 BANKING.)

Finally, the court held that the terms of the bond were broad, that they covered "banking operations," and that it was inconceivable that any disinterested banker, insurance underwriter, or lawyer would construe the bond as not covering assets of a bank lost through a check kiting scheme.

The second case involved a loss

**Preferences:** Prior to bankruptcy, a bank extended credit to bankrupt, receiving notes of poultry grower payable to and endorsed by the bankrupt and pledged with the bank. When poultry of any particular grower was sold, bank would deliver to bankrupt note of such grower and chattel mortgage securing payment thereof, receiving in substitution therefor the note and mortgage of another grower. *Held:* Such substitution did not result in a preference. *Walker v. Clinton State Bank* (U. S. Ct. App., 8th Cir.) 216 F. 2d 165.

sustained by an Ohio bank which did business with a seed merchant in the following manner: Upon delivery of a shipment of seed to the railroad, the merchant received a uniform order bill of lading consigned to his company's order at destination. He then drew a sight draft on his customer, payable to the bank's order, and presented it to the bank with the bill of lading attached. The bank then credited his account with the amount of the draft and later, when the draft had been accepted and paid, charged his account with discount at a given rate.

After 10 years, however, the merchant began to cut corners, obtaining credit by presenting bills of lading which had not been signed by the railroad, accompanied by drafts drawn on imaginary customers. As a result, the bank suffered an initial loss of some \$141,000, and wound up suing its sureties for \$15,000 each, claiming that the loss resulted from "larceny or false pretenses on the premises." The sureties denied liability on grounds similar to those relied on in the case reported above.

The Federal District Court for the Southern District of Ohio found for the bank. With reference to the claim that the loss resulted from a bad loan, the court stated that a loan is a contract and that a contract cannot exist without a meeting of the minds. In the transactions which caused the loss, it noted, there was no meeting of the minds, for the bank expected that the money credited to the merchant would be returned, while he had no such expectation.

So far as "larceny" and "false pretenses" were concerned, the court held that the method of operation used by the merchant not only constituted the obtaining of money by

(CONTINUED ON PAGE 76)



*Richfield State Bank President Says—*

## BURROUGHS COMMERCIAL TELLERS' MACHINES SOLVED AN ACUTE CUSTOMER TRAFFIC PROBLEM



S. L. Jerpak, president of the fast-growing Richfield State Bank in a suburb of Minneapolis.



Lobby of the Richfield State Bank, founded in 1947 and already a \$9-million institution, showing the Burroughs Commercial Tellers' Machine installation.

As this busy lobby scene shows, the Richfield State Bank could easily become a victim of business-paralyzing lobby congestion. But six Burroughs Commercial Tellers' Machines keep traffic moving easily and rapidly and, as President Jerpak reports, "permit a smooth flow of work to the proof department."

Many other banks have reported the same experience with the Burroughs Commercial Tellers' Machine. They like it—and buy it—for the way it reduces lobby congestion as much as 30 per cent, gives better service and greater customer protection, and results in fewer interruptions at receiving and paying windows.

For complete information about this machine, experiences of other banks with it, and customer reactions to it, get in touch with your local representative of Burroughs Corporation, Detroit 32, Michigan.

WHEREVER THERE'S BANKING THERE'S

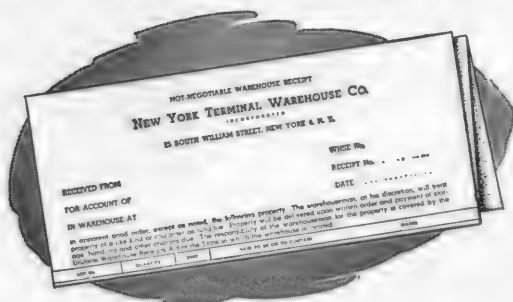
# Burroughs



"Burroughs" is a trade-mark.



## Loaning against warehouse receipts?



To have a successful field warehousing loan operation, it is of the utmost importance that you have an exact knowledge of the resources, character and ability of the warehouse company, its experience and the quality of its services. With this in mind, we suggest the following check list.

### *FIRST, the Warehouse Company*

- ( ) Is it a reputable company with superior resources?
- ( ) Does it have unquestioned integrity?
- ( ) Is its personnel composed of bonafide warehousemen—men who really know the warehouse business?
- ( ) Does the company have a record of unquestioned bailment?
- ( ) Does it supply the best fidelity and warehousemen's legal liability insurance?

### *SECOND, the Service*

- ( ) Does its monthly stock and value report give you an accurate record of your collateral?
- ( ) Is the report submitted promptly so that your record is always up-to-date?
- ( ) Is the report designed for easy, immediate appraisal?
- ( ) Does the company maintain operations offices located to give efficient, nationwide service?

A careful check of these standards will indicate why so many bankers recommend New York Terminal Field Warehousing Service as a prerequisite for sound inventory loans. Call us today.

# NEW YORK TERMINAL WAREHOUSE



25 South William St., N. Y. 4, N. Y.

OPERATING OFFICES IN PRINCIPAL CITIES

(CONTINUED FROM PAGE 74)

false pretenses, but also fell within the provisions of the Ohio statute defining and punishing "larceny by trick."

When it came to the contention that the loss was not a loss of money from the premises, the court merely observed that the merchant had obtained a credit which he was able to check out in the form of money. "Property," said the court, "is defined in these bonds to mean 'money' and the money was obtained from the bank.

Since it thus found the sureties liable on their bonds, the court stated that it was unnecessary to decide whether, as the bank claimed, they also were liable under that clause of the blanket bond which insures against "any loss sustained . . . through having . . . extended any credit . . . on the faith of . . . any securities, documents, or other written instruments which prove to have been counterfeited or forged" Fidelity & Casualty Co. of N. Y. v. Bank of Altenburg, 216 F.2d 294; National Bank of Paulding v. Fidelity & Casualty Co. and Maryland Casualty Co., U. S. Dist. Ct., So. Dist. of Ohio, Western Div., Civil No. 1576, December 31, 1954.

### FORGERY

**A crook who would stay out of jail, knows just how crooked to be.**

ENTERPRISING Johnny Green informed various merchants in a Florida town that he was organizing a baseball team, and that merchants contributing toward the purchase of uniforms would have their names written across the back thereof for advertising purposes.

Several gullible merchants gave Johnny their checks drawn to "Gainesville All Stars." In each case, he endorsed the check "Gainesville All Stars" but then added some fictitious name, such as "Johnny Smith" or "Jimmy Williams," before cashing it at a local market. Johnny produced neither team nor uniforms, and wound up in jail, convicted of forgery. He appealed to Florida's Supreme Court.

The high court affirmed the conviction. "By the better-reasoned authority at common law," it opined, "it is *not* forgery to obtain any person's signature on an instrument by means of false and fraudulent representations as to the purpose for



which the instrument is to be used." Thus, said the court, there was no forgery in the transactions whereby the merchants gave Johnny perfectly valid checks payable to "Gainesville All Stars."

Up to a point, then, though Johnny was no angel, neither was he a forger. The court even suggested that he would not have been a forger if he had merely endorsed the checks "Gainesville All Stars," without adding anyone's name, since the checks might have been held bearer paper, knowingly drawn to a fictitious payee.

However, the court said, Johnny slipped when he added the names of fictitious persons to his endorsements. That brought him within the purview of Florida's forgery statute, which enlarges the scope of the common law crime so as to punish a false signing "with intent to injure or defraud any person." In signing the fictitious names, the court held, Johnny intended to act to the injury of the merchants by making his own apprehension more difficult after his deceit was discovered, and to the potential injury of subsequent holders of the checks who were entitled to treat his endorsements as genuine and to rely upon the apparent liability of an additional endorser. *Green v. State*, 76 So.2d 645.

JOHN RENÉ VINCENS



## Have sleigh—will travel

Put him to work for you right now.

He's helped a lot of banks around the country get new customers . . . new accounts . . . simply by installing a Christmas Club.

You'll be surprised how many more people enter your door every day . . . make regular payments . . . discover your other banking services.

There are a number of Christmas Club Systems to choose from. Rand McNally is a particularly good one. Their unique new Clubtroller system speeds handling, cuts costs, eliminates the need for ledger cards or sheets.

*For samples and full information, drop a line to:*  
**Rand McNally & Company, Christmas Club Division,  
111 Eighth Ave., New York 11. Box 7600, Chicago 80.**

**Savings and Loan Accounts:** So far as the creation of trusts in "free share accounts" in savings and loan associations is concerned, there is "no rational basis" for distinguishing such accounts from accounts in savings banks, despite the fact that there is no debtor and creditor relationship between the association and the owner of the account. *Bierau v. Bohemian Building, Loan and Savings Assn'n.* (Md. Ct. App.) 109 A.2d 120.

**Savings Accounts:** Provision of N. Y. banking law authorizing savings banks to require presentation of bank books or an indemnity bond before paying an account must be reasonably applied, and where there is small chance of the account having been assigned or of great difficulty in procuring the book or the bond, courts may direct payment to judgment creditors of depositors without compliance with the statutory conditions. *Reese v. Chappelle* (Sup. Ct.) 135 N. Y. S. 2d 200.



# The Savings and Mortgage Scene

JOSEPH EARL PERRY

*Close-up view of the A.B.A. Savings and Mortgage Conference in New York reveals optimism tinged with reasonable caution.*

MR. PERRY, president of the Newton Savings Bank, Newton, Mass., is a former Commissioner of Banking for Massachusetts, a former president of the A.B.A. Savings and Mortgage Division, and is now chairman of the Division's Electronics Subcommittee.

So much care is devoted to the planning, preparation, and execution of a large bank conference that the historian is safe in taking the successive yearly programs as accurate portrayals of the developing economic conditions and problems of each era. Weighed in that scale, this year's program for the Savings and Mortgage Conference of the Savings and Mortgage Division of the American Bankers Association in New York City last month reflected the weight the bankers properly attach to thrift and home mortgage financing as tests of the economic health of the nation. Significant, too, was the absence of references to the threat of war and the continuing emphasis on better service to the public and greater efficiency in operations.

Frequent backward glances highlighted the extraordinary economic

growth of the last half-century and the apparent soundness of today's prosperity, but running throughout the convention addresses was an awareness of the danger inherent in too liberal home financing and a reminder of past reversals following earlier boom times. The thrift banker cannot, or at least should not, ever forget that he must always stand ready to serve as the first line defense in a depression and the speakers were careful not to obscure that point by any over-optimism. Rather, by inference as well as by direct statements, they counseled greater soundness, greater efficiency, better public relations as ammunition in the arsenal of defense against possible adverse conditions.

As is almost inevitable, those in attendance found valuable opportunity to compare notes with other bankers, inspect the display of modern bank equipment, and get the inspiration and perspective which once led a Commissioner of Banks to say that he could scan a convention audience and tell from their attendance or lack of attendance which of the banks in his state were

soundest and best serving their public. Conversely, he could tell from the condition of the banks whether or not they were accustomed to attending bank conventions. Thus, at a recent convention, a chance remark in a corridor conversation showed one treasurer how he could save an estimated 50,000 book entries a year in the handling of one simple little item.

## Thrift World's Status

The first two addresses supplemented each other to show the present status of the thrift world, how we got where we are, and the basic significance of thrift banking and home financing. Joseph R. Jones, president of the Savings and Mortgage Division, opened the conference with a brief contemporary survey, and Homer J. Livingston, president of the American Bankers Association, traced the economic history of the last half century and the role of thrift banking and mortgage financing in the nation's economy.

Together, they showed more than \$230-billion of savings in this country in only five of the major cate-

Speakers at the opening session of the conference discussed the status of the savings and mortgage business and new electronic equipment. *Left to right*, Homer J. Livingston, A.B.A. president and president, First National Bank of Chicago; Everett J. Livesey, vice-president and secretary, The Dime Savings Bank of Brooklyn; Joseph R. Jones, president, A.B.A. Savings and Mortgage Division and vice-president, Security-First National Bank of Los Angeles; J. R. Dunkerley, A.B.A. deputy manager in charge of the Savings and Mortgage Division; and Earle A. Welch, vice-president, Savings and Mortgage Division and treasurer, Meredith Village (N.H.) Savings Bank



PHOTOS BY ROBERT COOPER



gories—\$73.2-billion in savings and time deposits; \$71-billion in life insurance reserves; \$58.2-billion in U. S. Savings Bonds; \$27.2-billion in state and federally chartered savings and loan associations; and \$2.1-billion in postal savings. These totals represent more than a five-fold increase since the depression years in the early 1930s and a three-fold increase in the last decade. On the basis of savings deposits of individuals amounting to "only about \$3-billion" in 1900, the increase approaches 25-fold in little more than half a century.

To these astounding figures should be added the all-time high of savings invested in real estate and securities but, against them, should be considered the all-time high in public debt—national, state, and local; the all-time high in mortgage debt; and a building boom running currently at the rate of 800,000 housing units a year in excess of the number of households formed; down-payments on homes growing smaller and smaller and often eliminated; and mortgage maturities growing longer and longer. The number of home owners has reached an all-time high, but sound economic principles were described as in danger of being compromised to expediency and to the desire for new records of achievement. The thrift banker has a major role in assuring that sound principles will be followed as the nation grows to new levels of economic achievement.

### Optimistic Analysis

The most optimistic analysis of



Old friends greet each other—four past presidents of the Savings and Mortgage Division. Left to right, Fred F. Spellissy, executive vice-president, Market Street National Bank, Philadelphia (1946-47); William A. Reckman, vice-president, Fifth-Third Union Trust Co., Cincinnati (1950-51); Joseph Earl Perry, author of this article, (1951-52), and John W. Kress, executive vice-president, The Howard Savings Institution, Newark, N. J. (1953-54)

the building situation came from the one presumably closest to the factual side of the problem—George Cline Smith, economist for the F. W. Dodge Corporation, which supposedly has the country's top crystal ball in this field. Defining a building boom as speculative over-expansion he says that there is no boom today if we take into consideration the shrinkage of the dollar, the increased size of the country, and the increased proportion of non-speculative public construction. By these standards private construction is approximately three fourths as high as the 1926 peak and was only 7% of the 1954 gross national product as against 13% in the 1920s.

Mr. Smith also said the real ques-

tion is whether we are building enough, with an emphatic negative in such lines as schools and highways. With a net increase in population at an all-time high—about 24,000,000 in the present decade of the 1950s, and the equivalent of annexing more than all the people in Canada and Cuba; with the income of those people at an all-time high; with the emphasis shifting to single family homes due in part to the tendency of out-of-pocket costs of ownership to be lower than rental costs and with tax deductions more favorable; with the older, and home-owning, portion of the population increasing, the demand for residential units must continue high even if not at its present rate. If vacancies oc-

Seven hundred and thirty-five bankers from 30 states and Canada attended the Savings and Mortgage Conference of the American Bankers Association in New York last month. Here are some of them as they listened to a speaker







Speakers and some honored guests at the National School Savings Forum dinner preceding the Savings and Mortgage Conference (story on page 84): *Left to right*, Agnes R. Martin, assistant vice-president, Philadelphia Savings Fund Society; Dr Lawrence G. Derthick, Superintendent of Schools, Chattanooga, Tenn.; A.B.A. President Homer J. Livingston (speaking); Millicent A. Trichler, chairman, Committee on School Savings Banking, A.B.A. Savings and Mortgage Division, and assistant secretary, Dollar Savings Bank, New York City; S&M Division President Jones; and Merle E. Selecman, executive manager of the American Bankers Association

cur they are likely to be in the older dwellings, many of which ought to be replaced since 300,000 replacement units a year would still replace our present housing only once every 150 years. The present low ebb of household formation is likely to be followed, beginning about 1961, by a tremendous upsurge never before known.

Residential construction is only about one-third of the total and the non-residential construction — schools, hospitals, churches, public buildings, highways, factories, offices, and the like—will also respond to the needs of a growing population. Yet, withal, "we don't want to let this rosy outlook carry us beyond our depth. We must keep our eyes open and our brains alert."

### Prefab Importance

The increasing importance of prefabricated houses and their financing was presented by James R. Price, president of National Homes Corporation, who took his audience behind the scenes to see just how today's prefabricated homes are built and how fine a product is being turned out by modern methods. Last year 7% of all single-family non-farm homes built in the U. S. were prefabricated.

To an audience that paid rapt attention, Everett J. Livesey, vice-president of the Dime Savings Bank of Brooklyn, gave a glimpse of a new era, the fantastic yet actually already achieved fairy land of electronics. Over and over he repeated that what he was describing were not dreams or fantasies but actual,

accomplished fact, though not in every case yet harnessed to banking operations. For a technical subject that has already evolved a jargon of its own, the speaker performed something of a miracle himself in putting his discussion into terms readily understandable by his audience.

In common with most speakers on the subject he mingled the statement of the miraculous with the caution that the banker should keep his feet on the ground and be practical in his approach to the new era. The entire field is changing with extraordinary rapidity, which will involve a high degree of equipment obsolescence, but that is not considered a sufficient ground to justify lethargy in adopting new equipment as rapidly as it becomes economically feasible. Seldom, if ever, has the banker been under greater obligation to keep currently informed than he is on this rapidly changing and extraordinarily important subject. Already the new machines have proved extremely reliable, versatile, and reasonably economical. The manufacturers are alert and are cooperating with the A.B.A. committees to try to produce the equipment best suited to banking needs, and with genuine reference to those of the smaller banks.

### Savings Spheres

One afternoon session was devoted to a panel discussion of the proper sphere of various institutions attracting savings funds. Professor Major B. Foster, of New York University, opened with references to three basic objectives in any savings

program as "safety of principal, liquidity, and reasonable income," but stated that "no medium can have any one of these ingredients in exceptionally high degree without sacrificing at least one of the others." Assuming that the four chief objectives of saving are (1) the family emergency fund; (2) the fund for making the down-payment on a home; (3) the fund to finance children's education; and (4) the retirement fund, he and the other participants discussed safety, liquidity and income as furnished by deposits in commercial and savings banks, savings and loan shares, credit unions, Government bonds, life insurance, stocks, and mutual funds. While the discussion presented little that was really new to the particular audience, it did afford a thoughtful analysis and comparison of the various agencies that compete for today's thrift dollar. (Excerpts from panel speakers' remarks may be found on page 91.)

Other members of this panel included Dr. Murray G. Lee, secretary of the A.B.A. Economic Policy Commission; Louis B. Lundborg, vice-president, Bank of America N. T. & S. A. San Francisco; Frank R. Steyert, president, South Orange Trust Company, South Orange, N. J.; Crawford H. Stocker, Jr., president, Lynn Five Cents Savings Bank, Lynn, Mass.; and Thomas L. Nims, secretary of the A.B.A. Savings and Mortgage Division.

### Slum Elimination

A movement of great economic and sociological importance is proceed-



ing under the catchy title of "Action"—A.C.T.I.O.N., the initials of the American Council to Improve Our Neighborhoods. A.C.T.I.O.N.'s president, Major General Frederick A. Irving (former Superintendent of the U. S. Military Academy at West Point) spoke briefly about the laudable goal of this organization to erase slum areas from American towns and cities and introduced a movie short in which President Eisenhower warmly applauded the aims of this group.

John R. Doscher, assistant to publisher, *Life Magazine*, was the narrator of a slide presentation showing that even in our prosperous nation there are blighted areas, and often slum areas, in every large city.

He gave these revealing statistics: In Baltimore it was found that 45% of the city's budget went for services in blighted areas—areas that accounted for only 6% of the city's revenue. The 39 cent difference in every dollar spent came from the taxpayers outside these areas. Where 33% of the people lived, there was 45% of the major crimes; 55% of the juvenile delinquency; 60% of the TB victims.

"Since this same thing holds true, more or less, for every city and every town in the country today, this is a problem which concerns us all," he said.

The direct and indirect cost of these areas is appalling but often so hidden as to be largely unknown. By fact finding, public information, and field work this new organization is already making great strides to check the growth of city blight and to rehabilitate the areas that have already deteriorated. Through this strictly private enterprise movement it has already been shown that its work can be profitable, not only sociologically but in actual financial gains.

### Bank VHMCP Participation

Bankers and many economists have long been apprehensive over that part of the Federal housing program which threatens direct Government mortgage loans to individual borrowers. Arthur W. Viner, executive secretary, National Committee on the Voluntary Home Mortgage Credit Program, emphasized that participation in the VHMCP, private enterprise has perhaps its last opportunity to avert this supposed danger. This program was



Major General Irving who spoke during the neighborhood improvement presentation

initiated by private enterprise and offers to lenders safe, guaranteed or insured mortgage loans, and makes credit available to home owners wherever situated. The program is at a critical stage when prompt and general support by all banks is of extreme importance. The bankers must now come forward, and promptly, or forever after hold their peace if the advocates of direct Government loans win their campaign. Banker participation has been slow in getting under way and the A.B.A. is gravely concerned over the tardiness of this response. Prompt response to the questionnaires heretofore circulated was strongly urged.

Honorable Thomas F. Sweeney, speaking on "The Government's Role in Housing," reviewed pending legislation and summarized the experience with more than 4,000,000 mortgages, totaling \$27-billion, by saying that defaults have been less than ½ of 1% and net losses only \$22,-

VHMCP Executive Secretary Viner



000,000 on more than \$27-billion of guarantees. The default record of direct loans has thus far been ½ of 1%. Up to date the no down-payment mortgagors have just as fine a no-default record as have those who made down payments.

The conference was outstanding in the promptness with which the meetings were held to the announced time schedules, the excellence of the presiding officers and participants, and the attendance and attentiveness of the audience. It closed on an optimistic note with the address of George Cline Smith, above referred to, entitled "Construction Boom Ahead?"

### Other News

Because of the interest in the timely subjects developed at this conference, additional news coverage may be found in other sections of this issue of the magazine. This includes excerpts from a talk by Everett J. Livesey on electronic equipment development, page 41; comments on "Controlling Mortgage Production and Servicing Costs" by Robert F. Marchant, vice-president and treasurer of The Bank for Savings, New York City, page 56; a report on the National School Savings Forum which preceeded the conference by one day, page 84; and comments from several papers pertaining to savings, page 91.

Portions of other prepared speeches appear below:

## Address Excerpts

### Liberal Credit Warning

JOSEPH R. JONES, president, A.B.A. Savings and Mortgage Division; vice-president, Security-First National Bank of Los Angeles.

ALTHOUGH there are some veterans who might need 100% loans with a 30-year maturity, we should be very cautious that we are not using such financing to support a volume of construction and force sales beyond real need. Not only does the borrower pay a very high price in total interest upon such a loan; but this easy financing, if continued, could lead to overbuilding, which affects the entire real estate market including the values of all existing houses.

If at all possible, we must avoid overbuilding and escape the problems which such a condition would bring. Certainly it seems that there





Government's role in housing, controlling mortgage origination and servicing costs, and the housing boom were on the agenda for this session. Left to right, Messrs. Smith, Jones, Marchant (speaking), Dunkerley, and Sweeney

is a greater than usual risk attached to the market today as compared to, let us say, five years ago when we had a serious shortage of housing and were building for a well established need.

However, not all real estate lending falls in this category. There are still many opportunities for a bank to conduct a proper and sound mortgage lending program today if it is done on the proper basis of economic soundness of the loan.

### Mortgage Financing

**HOMER J. LIVINGSTON**, president, American Bankers Association; president, First National Bank of Chicago.

SINCE the end of World War II, we have experienced a phenomenal growth in construction; and in only nine years from 1946 to 1954, inclusive, we have had the remarkable total of almost 9½-million housing starts. . . .

As we look back over the last half century, it is apparent that despite occasional periods of economic decline, the long term trend has been upward. It is my conviction that this long term upward trend may even be accelerated in the next decade. . . .

However, I should be remiss if I did not, in view of the historical record, clearly point out that responsibility is always inseparable from opportunity and growth. A prosperous, expanding economy tends to make us impatient to crowd more and more economic growth into a shorter period. Records must constantly be broken, or we are not satisfied. Sound principles are in danger of being compromised to expediency and to the desire for new

records of achievement. To illustrate, there is a serious question whether the ambition to reach a higher and higher volume of housing starts should be realized by lengthening of maturities and by a steady liberalization of terms. Downpayments grow smaller and smaller and are often entirely eliminated. Maturities grow longer and longer. Prosperity on that basis may not be a bargain. . . ."

*(Additional comments by Mr. Livingston on current building and mortgage financing trends may be found on page 93.)*

### Prefab Financing

**JAMES R. PRICE**, president, National Homes Corporation, Lafayette, Ind.

LET me tell you about National Homes Acceptance Corporation, a wholly-owned subsidiary of our company. The job of this corporation is to help our builder-dealers to obtain necessary mortgage financing quickly and on favorable terms. The Acceptance Corporation advances construction loans to builder-dealers and makes it possible for any qualified buyer of a National home to get financing with a minimum of difficulty regardless of local money conditions.

### VHMCP Program

**ARTHUR W. VINER**, executive secretary, National Committee of the Voluntary Home Mortgage Credit Program, Washington, D. C.

**BANKERS** have an important role to play in the success of the entire program. On paper, every county in the United States and its outlying possessions is covered through the VHMCP by at least one lender.

But the mere agreement to participate in the program will not make it work. For funds reposing in the financial centers cannot be invested in remote areas and small towns without the collaboration of the bankers.

By participating in the program, a commercial bank will be carrying out one of its chief responsibilities to its community. Commercial banks in small towns are in many instances the only lending institutions serving the smaller communities of the nation. Yet, at present only about 600 of the 14,500 commercial banks in this country have agreed to participate in the Voluntary Home Mortgage Credit Program. Most of those participating are in small towns.

### Housing Outlook

**GEORGE CLINE SMITH**, economist, F. W. Dodge Corporation, New York, N. Y.

WE are building houses at a tremendous clip. Nonfarm dwelling units have been started in the past few months at annual rates up to almost a million and a half a year. Our Dodge contract award figures for January and February indicate that these high levels will continue at least for a few months.

Can we sustain this rate indefinitely? I rather doubt it. I would expect some tapering off in starts and contracts later this year.

But will that be disastrous? I doubt that, too. There may be periods and places where housing will remain unoccupied longer than the builders or owners would like. But, in general, and over the long run, the demand for housing in this country will remain strong.





## FREE FACTFILE

### Helps you answer clients' questions

**BANKERS** are playing an ever-increasing part in plant site selection. Your expansion-minded clients look to you for help because they know you will give them the facts. The information you supply will be unbiased—complete—and up-to-the-minute.

To help you answer inquiries by industry seeking western location, here is factual information on Metropolitan Oakland Area. It was prepared by the Metropolitan Oakland Area Committee, a non-profit organization representing all of Alameda County, California.

Even a slight examination of this new FACTFILE will show you why industry "grows places" in MOA. It contains Data Sheets covering Climate, Labor Supply, Markets, Transportation, Living

Conditions—and all the other factors that create MOA's healthy industrial climate.

You will want several copies of this valuable FACTFILE—which will be sent to you free of cost. Just write to your correspondent bank in this area—or mail the convenient coupon below to MOA headquarters.

#### **METROPOLITAN OAKLAND AREA**

**Suite 601 • 1320 Webster Street • Oakland 12, California**

Gentlemen:

Please send me \_\_\_\_\_ sets of the new MOA FACTFILE.

Name \_\_\_\_\_

Title \_\_\_\_\_

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



# School Savings Banking Builds . . .

## Stability - Prudence - Fortitude

**T**HESE convincing statements on the educational value of school savings banking were made at the American Bankers Association's National School Savings Forum in New York last month by teen-age Maria Bertram, a junior at the Cathedral High School in New York:

"I have learned the habit of savings through a savings bank, but if I should move to a place where there is no savings bank, I would continue to use banking facilities." Continuing, Miss Bertram, a member of her school's varsity debate team, said that the greatest thing school savings banking has done for her was to teach her the meaning of stability, prudence, and fortitude. Stability—because she has learned to have something to fall back on; prudence—because she has learned to plan for the future; and fortitude—because she has learned that regular savings proves that thriftiness leads to a desired end.

Miss Bertram was a member of a panel which discussed "School Savings—A Cooperative Enterprise" and composed of a student, an educator, a civic leader, and a banker. The panel was moderated by Millicent A. Trichler, chairman of the Committee on School Savings Banking of the A.B.A. Savings and Mort-



School Savings Panel: Left to right, Dr. Loser, Miss Martin, Miss Trichler, Miss Bertram, and Judge Keogh

gage Division, and assistant secretary of the Dollar Savings Bank, New York City. The other members were Dr. Paul Loser, former superintendent of schools, Trenton, N. J.; Agnes R. Martin, assistant vice-president, Philadelphia Savings Fund Society, and member of the Committee on School Savings Banking; and the Honorable J. Vincent Keogh, Justice of the Supreme Court of the State of New York, Second Judicial District, Brooklyn.

### 3,800,000 in 10,000 Schools

About 3,800,000 children in over 10,000 schools now have deposits of

approximately \$125,000,000 in school savings accounts, and they, too, are learning the lessons of stability, prudence, and fortitude, Miss Trichler said in giving a brief resumé of the current activities of the Committee on School Savings Banking.

"While not all of this money," she said, "is the product of personal thrift, nor the result of self-discipline and self-denial, a large part of it does stand for individual enterprise—paper and magazine routes, home chores, week-end and after school jobs, baby-sitting, etc., plus the candy, movies, and comic books done without."

"School savings and thrift training need to provide the incentive and practice for children that lead into banking on their own, and at the bank, to have maximum carry-over educational value," U. S. Commissioner of Education Samuel M. Brownell said in a letter to the forum read by J. R. Dunkerley, deputy manager of the A.B.A. in charge of the Savings and Mortgage Division.

An interesting prelude to the panel discussion was the showing of *A Bone for Spotty*, a new educational film developed by the Committee in cooperation with the Public Relations Council for use in teaching thrift to grade school pupils.

During the course of his remarks, Judge Keogh, a leader in civic affairs, said: "Honesty and candor are practical virtues. So is thrift.

(CONTINUED ON PAGE 139)

School savings exhibit of promotion material from Japan and Sweden. Emil J. Suesy, assistant secretary, Franklin Savings Bank, New York, was just one of many interested spectators







## Want fast-action trading in governments?

When you need prompt trading in securities, just pick up your phone and call Chicago LD 92, 93, 155 or 313. We offer a primary market—a Bond Department with more than 90 years experience. Under normal market conditions you'll get an immediate bid or offering.

We always carry a substantial position in Treasury bills, notes and other government issues of interest to banks.

Government Bonds are just one of the many services provided by The First National Bank of Chicago. If you'd like to find out about the benefits of a correspondent relationship with us, just phone, wire or

write us today. A man from The First will call on you at your convenience.

*Complete Clearing and Collection Service • Travelers Checks • Complete Foreign Banking Service • Loan Participation • Bond Department Operational Procedure Surveys • Industry-Specialized Assistance in Handling New Types of Loans • Wire Transfers • Safe-Keeping Service • Bank Remodeling and Modernization • Public Relations, Advertising and Business Development • Credit Information • Annual Conference of Bank Correspondents • Assistance in Special Events.*

EDWARD E. BROWN, Chairman of the Board  
JAMES B. FORGAN, Vice-Chairman  
HOMER J. LIVINGSTON, President  
WALTER M. HEYMANN, Executive Vice-President

HUGO A. ANDERSON, Vice-President GAYLORD A. FREEMAN, JR., Vice-President  
GUY C. KIDDOW, Vice-President HERBERT P. SNYDER, Vice-President



# The First National Bank of Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



# BANKING NEWS

## International Currency Convertibility Study Completed by A.B.A. Group

### W. A. Mitchell, Advisory Committee Chairman, Gives Study Facts

The completion of a study entitled *International Currency Convertibility*, by the Advisory Committee on Special Activities of the American Bankers Association, has been announced by William A. Mitchell, president of the Central Trust Company, Cincinnati, and chairman of the Committee.

The Committee's study does not attempt to argue in favor of any particular policy or course of action on the part of the United States. It discusses the meaning of the term convertibility in its present usage, the benefits that may be derived from freer interchange of national currencies, and the obstacles that hinder progress towards greater freedom in international payments. It is pointed out that certain favorable economic and political conditions are essential to the restoration and maintenance of a stable and free

## A.B.A.'s Bank Management Commission Embarks on Several New Projects at Annual Meeting in Savannah

The Bank Management Commission of the American Bankers Association met in Savannah, Ga., February 23-25 to appraise its program aimed at providing better service for bank customers and increased operating efficiency within banks. William W. Cottle, chairman of the Commission, and vice-president and cashier, Security - First National Bank of Los Angeles, Los Angeles, California, presided.

The Savannah meeting was an annual executive session of the Commission. During the three days, the Commission's members from various sections of the country reviewed the work of the past year and considered new projects to improve bank procedures and systems. They decided to undertake four new projects as part of the Commission's work: (1)

system of multilateral payments. The key role of the pound sterling in the system of world payments is discussed, and the study summarizes  
(CONTINUED ON NEXT PAGE)

development of a restrictive endorsement stamp to destroy the negotiability of bearer bonds being sent for exchange, for definitives, or for redemption; (2) a study of bank administration; (3) a study of teller's work areas; and (4) development of a retention of records schedule. A project of particular interest which the Commission will continue to press forward is the program to aid business machine manufacturers develop devices to do automatically much of the work involved in handling checks.

Other Commission projects already in progress which will go on during the coming year include work on check standardization and simplification; cost accounting; and manuals in such fields as safe deposit procedure, special checking accounts, drive-in banking, and banking procedure and forms.

Among the outstanding projects completed during the past year was development of an audit program for departmentalized banks.

The A.B.A. Bank Management Commission meeting at Savannah, Feb. 23-25. Clockwise around table: Fred H. Waterhouse, AVP, First National Bank, Minneapolis; Raymond C. Deering, Sr. VP, Manufacturers Trust Co., New York; Orval U. Habberstad, Pres., Union National Bank, Rochester, Minn.; John M. Patton, Pres., Mitchell (S. Dak.) National Bank; William W. Cottle, VP & Cash., Security-First National Bank, Los

Angeles, chairman; Melvin C. Miller, A.B.A. Deputy Manager, secretary; Harold E. Randall, VP & Compt., First National Bank, Boston; Frank M. Moody, EVP, First National Bank, Tuscaloosa, Ala.; Harry C. Schaefer, VP, National Bank of Detroit; Arthur McCormack, AVP, First National Bank, Miami.

Standing, l to r, W. Dale Critser, VP & Cash., Fourth National Bank in

Wichita; Philip H. Cordes, A. Compt., Continental Illinois National Bank & Trust Co., Chicago; John A. Kley, VP, County Trust Co., White Plains, N. Y.; John A. Wallace, EVP, Willard (Ohio) United Bank; Owen T. Jones, VP & Compt., American Trust Co., San Francisco; G. Edward Cooper, VP, Philadelphia National Bank; George R. Amy, secy., A.B.A. Country Bank Operations Commission.





## GSB Faculty Meets to Plan Summer Resident Session; N. Y. Group Banquet Hosts

**Enrolment at Capacity for 1955 Session June 13-25**

The annual summer resident session of The Graduate School of Banking at Rutgers University June 13-25 will have capacity enrolment of 1,070 with a backlog of applications for admittance.

This statement has come to be an annual feature of the annual faculty conference of the Graduate School, held each year in conjunction with the Metropolitan Group Alumni reunion. This year's get together attracted about 350 persons to the Columbia University Club in New York on Friday, March 11.

The affair began with a luncheon presided over by Joseph E. Hughes, chairman of the GSB's board of regents and president of County Trust Company, White Plains, N. Y.

Following the luncheon, the different faculty groups met to go over plans for the coming session. This year a new course is being added—"Economics of Banking and Business." It will be devoted to the functioning of our monetary and credit system and basic factors affecting the American economy.

Of the 16 special lecturers added for this year's session, three will devote their time to the new course; five have been added to the trusts faculty; five to the commercial banking classes; one will speak on investments; two will lecture in savings management. The new men were introduced to the rest of the faculty at the luncheon meeting.

The Metropolitan Group Alumni, hosts at a banquet that evening, had as honored guests Ray M. Gidney, Comptroller of the Currency, and George A. Mooney, Superintendent of Banks, State of New York, Albany.

### International Currency Convertibility Study

(CONTINUED FROM PAGE 86)

and interprets recent developments affecting the outlook for greater convertibility of sterling into dollars.

"Since the time of the Bretton Woods Agreements that led to the establishment of the International

Joseph E. Hughes, chairman of the board of regents of GSB and president, County Trust Co., White Plains, N. Y., with 15 of the 16 new special lecturers, who are, left to right:

**First row:** C. Z. Meyer, First National Bank, Chicago; A. B. Pfeiderer, Detroit Trust Co.; E. J. Livesey, Dime Savings Bank, Brooklyn; Jules I. Bogen, N.Y.U.;

**Second row:** W. G. Cleaver, First National Bank & Trust Co., New Haven; R. E. MacDougall, Girard Trust Corn Exchange Bank, Philadelphia; C. D. McCaffrey, Northwestern Mutual Life, Milwaukee; L. V. Chandler, Princeton University;

**Third row:** K. K. DuVall, Merchandise National Bank, Chicago; F. C. Farnsworth, Chemical Corn Exchange Bank, New York; D. M. Kennedy, Continental Illinois National Bank & Trust Co., Chicago;

**Fourth row:** J. Fox, Mercantile Trust Co., St. Louis; John A. Kley, County Trust Co., White Plains, N. Y.; and Arthur R. Uppgren, Dartmouth College.

Not shown is R. W. Tichie, Philadelphia Saving Fund Society.



Faculty for new course in "Economics of Banking and Business." Clockwise around table starting at head of table at right: Dr. E. Sherman Adams, asst. dir., GSB; Arthur R. Uppgren, Dartmouth College; Jules I. Bogen, N.Y.U.; Edward Wayne, Federal Reserve Bank of Richmond; L. V. Chandler, Princeton University; K. R. Bopp, Federal Reserve Bank of Philadelphia; W. Lindown, Irving Trust Co., New York; A. Anton Friedrich, N.Y.U.; Dr. Murray G. Lee, A.B.A. Economic Policy Commission

Monetary Fund and the International Bank for Reconstruction and Development, the Advisory Committee on Special Activities has given attention to the problems of international payments," Mr. Mitchell said in the introduction to the study. "One of the most pervasive of these problems at the present time is the resumption of convertibility of currencies, particularly the pound sterling."

He said that "the purpose of the study is to analyze the background of the convertibility problem and to summarize recent developments regarding it. It is hoped that the study will prove helpful to members of the

Association and others in formulating their own judgment on the importance of convertibility and the role that the United States might be expected to play in its resumption.

"The work on the study was undertaken for the Advisory Committee by the staff of the Research Council of the American Bankers Association, with assistance from members of the Advisory Committee and specialists in international financial matters."

Copies of the study may be obtained from the American Bankers Association, 12 East 36th Street, New York 16, N. Y.



## Request Hotel Rooms for A.B.A.'s Annual Convention From Hotel Committee

### 81st Convention Will Be Held on Sept. 25-28 in Chicago

An announcement regarding hotel accommodations for the 81st annual convention of the American Bankers Association, to be held in Chicago, Ill., Sept. 25-28, was made to A.B.A. member banks last month in a letter mailed to them from the Convention Hotel Committee. The chairman of the Committee is Fred M. Naber, senior vice-president of the Continental Illinois National Bank & Trust Company, and the vice-chairman is Charles F. Newhall, assistant vice-president, The First National Bank of Chicago, both of Chicago.

"The bankers of Chicago welcome you to the 81st annual convention of the American Bankers Association," the letter to A.B.A. members says. "The convention registration and the general sessions will be held at the Conrad Hilton Hotel. Other functions are presently scheduled in some of the nearby hotels. So that you may plan your arrival and departure time, as well as arrange for transportation accommodations, the following schedule of meetings has been announced: Administrative Committee, Friday, September 23, and Saturday, September 24; commissions, committees, councils, Sunday, September 25; divisions, Monday, September 26; Executive Council, Monday, September 26; General Convention Sessions, Tuesday, September 27, and Wednesday, September 28; and new Executive Council, Wednesday, September 28."

### Application Processing

The A.B.A. Convention Hotel Committee requests all bankers who are planning to attend the convention to send applications for hotel accommodations to the Hotel Committee and not directly to a hotel or a Chicago bank.

"Applications will be processed in the order of receipt, and the Hotel Committee will give every consideration to your preference. Due to the fact that the Chicago hotels have a great many conventions between now and September, there may be a delay of several weeks before you receive

## Advance Program for 53rd Annual Convention of American Institute of Banking in Miami, May 30-June 3

The advance program for the 53rd annual convention of the American Institute of Banking, which will take hundreds of young bankers to Miami, Fla., next May 30 through June 3, was announced recently by Alvin E. Roemershauser, president of the Institute and vice-president, The Whitney National Bank of New Orleans.

The key speakers for the convention, which will have the McAllister Hotel as headquarters, will address the two general business sessions in the Municipal Auditorium—one opens the meeting and the other is on the closing day. Dr. R. C. S. Young, director of admissions, Atlanta Division, University of Georgia, Atlanta, will be the featured speaker at the opening session on Monday, May 30. The speaker for the closing session has not yet been announced.

Among the other outstanding events on the convention program will be the National Public Speaking Contest for the A. P. Giannini Educational Endowment prizes on Monday evening, May 30; the National Debate Contest for the Jesse H. Jones National Convention Debate Fund prizes on Tuesday evening; and the National Publicity Exhibit, to be judged on Monday.

Monday afternoon, Wednesday morning, and all day Tuesday and Thursday will be devoted primarily to a series of conferences on various aspects of banking and A.I.B. work. The banking subjects to be covered will be Trust Business and

Investments, Credits, Bank Management and Operations, and Savings and Mortgage Banking; the Institute conferences will cover A.I.B. Educational, Chapter Administration, and Women's activities.

Each of the conferences on general banking subjects will be arranged by a different banker who will preside during the conference itself. These "departmental conference leaders" are: Joseph F. Cornelius, executive vice-president, Marine Bank and Trust Company, Tampa, Fla., for *Credits*; E. L. Stucker, vice-president, National Bank of Tulsa, Tulsa, Okla., for *Bank Management and Operations*; George C. Barelay, vice-president, City Bank Farmers' Trust Company, New York City, and president of the Trust Division of the A. B. A., for *Trust Business and Investments*; and Charles J. Lyon, president, Society for Savings, Hartford, Conn., for *Savings and Mortgage*.

### Hollywood Beach Outing

Wednesday afternoon of the convention week will be devoted to an outing for delegates at the Hollywood Beach Hotel, Hollywood, Fla., including a buffet and entertainment at the hotel. Other social activities will include a "Get Acquainted Hour" on the opening day; informal dancing after the Monday evening session; and the President's Ball in the Fontainebleau Hotel, Miami Beach, on Friday evening.

A political sidelight of the convention will be the election of Institute officers for 1955-56. The convention will elect an Institute president, vice-president, and four members of the Executive Council, the A.I.B.'s governing body. Bernard J. Lunt, assistant vice-president, The Fort Worth (Tex.) National Bank, who is now A.I.B. vice-president, has been nominated for the presidency; and Leroy S. Clark, vice-president, The Marine Midland Trust Company, New York City, has been nominated for vice-president.

The five-day convention will be attended by delegates from the more than 400 A.I.B. chapters and study groups throughout the United States, representing over 112,000 Institute members.

confirmation direct from the hotel.

"Regardless of prior requests for hotel accommodations—to the chairman or other members of the Committee—the official hotel application form must be filled out for every reservation desired. Assignments will be made only from applications properly completed.

"Should you find it necessary to cancel your reservation, the chairman of the Hotel Committee would appreciate being notified.

"About the first of July, the delegates whose reservations have been confirmed will be sent instructions covering advance registration."



## Bank Women Will Hold Six Spring Area Conferences; First in New York in April

**Others In Nashville, Grand Rapids, Ft. Worth, L. A., Seattle**

Six regional conferences will be held this spring by the eight divisions of the National Association of Bank Women. These meetings are annual events and are educational in nature. Programs are planned with a view to giving NABW members within the various regions an opportunity to exchange ideas and to hear authorities discuss subjects pertinent to bank operations.

The first conference scheduled is a joint meeting of the New England and Middle Atlantic Divisions, which will be held at The Biltmore in New York City on April 15-17. The regional vice-presidents who have helped shape the program for the New York City meeting are Mabel F. Thompson, assistant secretary, The Union Dime Savings Bank, New York City, and Gertrude M. Sundlie, assistant manager, Park Square Office, The National Shawmut Bank of Boston. The general chairman is Pearl Gaulette, assistant secretary, Bank of America, New York City.

### Subjects on Agenda

The program includes addresses and panel discussions on the following topics: "Salesmanship—Your Major Tool"; "Banks Are People"—a panel, with a discussion of these subtopics: "The Bank and Its Staff," "The Bank and Its Customers," and "The Younger Generation"; "Bank Women on TV"; a banquet address by A. S. G. Hoar, director of operations, Europe, Africa, and Australasia, International Bank for Reconstruction and Development; and a luncheon talk on women in government by Anna Arnold Hedgeman, assistant to the Mayor of New York. A report will be given on NABW activities by President Cora I. Blanchard and Vice-president Virginia A. Rehme. Miss Blanchard is assistant treasurer, Suffolk Savings Bank for Seamen and Others, Boston, and Miss Rehme is assistant vice-president, Southern Commercial & Savings Bank, St. Louis, Mo.

The other NABW regionals:

*Southern:* April 22-24—Hermitage Hotel, Nashville, Tenn. Regional



National Association of Bank Women's official family. Front row, left to right, Florence C. Otten, Citizens Savings Bank & Trust Co., Providence, treasurer; Vice-president Rehme; President Blanchard; Margaret M. Buckley, Brookline (Mass.) Trust Co., recording secretary; Louise Seely, Charlestown (Mass.) Savings Bank, corresponding secretary; center row, Regional Vice-president Murray; RVP Dolde; RVP Rhinehart; third row, RVP Sundlie; RVP Perkins; RVP Thompson; RVP Engelken; and RVP Lanham

### New Direct Mail Folders Available Through A.B.A.

Two new folders, a revised booklet, and two reprinted folders, have been released by the Advertising Department of the American Bankers Association.

The new folders are "Facts Every Farm Family Should Know About Social Security" and "Open the Door to . . . Satisfying New Car Ownership." The revised booklet is "Bank Services for You."

Vice-president—Mabel R. Perkins, First National Bank, Atlanta; General Chairmen—Thelma B. Leonard, First National Bank, Nashville; Mrs. James F. Hager, Federal Reserve Bank of Atlanta, Nashville.

*Lake—Midwest:* (joint meeting) May 6-7 — The Pantlind Hotel, Grand Rapids, Mich. Regional Vice-presidents—Virginia Engelken, The Central Trust Co., Cincinnati, and Helen L. Rhinehart, secretary, Brenton Companies, Des Moines; General chairman—Irene M. Cole, Union Bank of Michigan, Grand Rapids.

*Southwestern:* May 13-15—Hilton Hotel, Fort Worth. Regional Vice-president—Margaret Murray, vice-president, Union Bank and Trust Co., Fort Worth; General Chairman—Ruth Hines, First National Bank, Fort Worth.

*Western:* May 27-29—Ambassador Hotel, Los Angeles, Calif. Regional Vice-president—Lillian Dolde, assistant vice-president, Albuquerque (N. M.) National Bank; General

### Model Savings and Loan Act Analyzed by A.B.A. Group

Analysis of the features of a model savings and loan act that need special study from the standpoint of banking has been made by the Committee on State Legislation of the American Bankers Association.

In a letter transmitting copies of the A.B.A. analysis to members of the A.B.A. State Legislative Committee and Council and to State Association Secretaries, Chairman Sherman Hazeltine called attention to the fact this model S&L act, which is sponsored by the United States Savings and Loan League of Chicago, sets up as separate unit a savings and loan board with a savings and loan commissioner. It also broadens the lending and investment powers of savings and loan associations and enlarges their immunities.

Copies of the A.B.A. digest may be obtained from Thomas B. Paton, assistant general counsel, A.B.A., 12 E. 36th Street, New York 16, N. Y.

Chairmen—Edith H. Schaaf, secretary, Beverly Hills (Calif.) National Bank & Trust Co.; Mary E. Dinning, assistant secretary, Hollywood State Bank.

*Northwestern:* June 3-5—Olympic Hotel, Seattle, Wash. Regional Vice-president—Sally M. Lanham, assistant cashier, National Bank of Washington, Fort Lewis; General Chairman—Marguerite Patton, assistant cashier, Seattle First National Bank, Seattle.



# News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

## Commission Surveys Instalment Lending

**B**ANKS make more appliance loans than any other class of loans, but these are exceeded by automobile loans both in amount involved and the profit derived therefrom.

This and other pertinent information is found in the composite results of a questionnaire on instalment credit, in which answers were received from 216 outstanding commercial banks engaged in this field of lending.

The questionnaire results were included in the kit given to delegates to the Instalment Credit Conference held in St. Louis on March 21-23.

The survey shows that in percentage of total deposits invested in instalment credit outstandings, the banks in the smallest classification (up to \$10-million) invest a greater percentage of total deposits in instalment credit outstandings than do the larger banks.

The survey discloses some figures which are very interesting for comparative purposes. To list a few:

Percentage of total loans and discounts including mortgages (not including investments) constituting instalment credit outstanding, 22.27%; 1954, 1.7%;

Ratio of gross instalment credit income to gross income from total loans and discounts, including mortgages (not including investments), 35.88%;

Ratio of gross instalment credit income to outstandings, 8.62%;

Ratio of net income to outstandings, 5.47%;

Number of instalment loans delinquent 30 days or more expressed as a percentage of total instalment loans outstanding December 31, 1954, 1.74%;

Number of instalment loans outstanding per employee, 542.

### Current Terms

While the A. B. A. Instalment Credit Commission never recommends terms, it does from time to time determine from surveys what terms are most popular with the banks. The recent survey discloses:

1955 and 1954 cars,  $\frac{1}{3}$  down, 24-30 months;

1953-1952 cars,  $\frac{1}{3}$  down, 18-24 months;

Older cars (1951-50),  $\frac{1}{3}$  to 40% down, 12-18 months;

Appliances—white goods, 10% down, 24 months;

Television, 10-20% down, 18-24 months.

The survey results were made public at the Instalment Credit Conference. Any banker interested in seeing this folder may receive one by requesting it from the Instalment Credit Commission, 12 East 36 St., New York 16.

## Instalments for Hardware

**L**OCAL banks figure importantly in the "Hardware Budget Plan" which the National Retail Hardware Association has developed and which it recommends to independent hardware dealers nationwide.

The plan is a standard time-payment plan intended to cover big-ticket items such as power tools, power mowers, washers, etc., or for a group of items adding up to a sizeable purchase.

NRHA has developed *A Manual of Operating Procedures* in which it suggests that "your local banker is the most logical source of funds for your needs." In visiting the banker, the manual says the dealer should keep in mind two very important things:

"(1) The banker's business is lending money for profit—the same as you sell merchandise for profit. (2) He is dealing with other people's money and operating under strict banking rules and regulations which restrict his activities. Basically, however, he is a business man anxious to serve you as a customer, provided you can offer him a desirable business proposition."

The manual discusses interviewing of the banker by the dealer and asserts that the dealer should "be alert to all the loan officer's suggestions and ideas. Keep in mind

-----  
The A. B. A. Instalment Credit Commission's National Instalment Credit Conference is being held in St. Louis as this issue of **BANKING** goes to press (March 21-23).

Full conference coverage with photos will appear in our next (May) issue.  
-----

your objective, but remember the banker has limits at the same time he is trying to find a solution to your problem." It explains how each bank is limited by law as to the amount which can be loaned to one borrower; and how the bank has loan committees which must pass on the dealer's application. Finally, it cautions that "banks prefer to do business on a local basis. Seeking funds from a distant bank without trying a local one first may have undesirable results. See your local banker first!"

## Florida Plans Reciprocity

**T**HE Instalment Credit Committee of the Florida Bankers Association is making a survey to ascertain which of the banks in the state are willing to join in a reciprocal collection service. The plan is to publish a "FBA Collection Directory" listing these banks. In other words, it plans for Florida an Instalment Lending Directory similar to the A.B.A. Instalment Credit Commission's directory for the nation as a whole.

O. H. Eaton, vice-president of the First National Bank, Orlando, is chairman of the FBA's Instalment Credit Committee. Chairman of the subcommittee for the reciprocal collection project is George N. Butler, vice-president of Broward National Bank, Ft. Lauderdale.

## Write Checks on Credit

**I**N the Boston area, it is possible to establish a line of credit on which you may draw simply by writing checks.



This is something brand new offered by the First National Bank of Boston, and is known as the First Check-Credit Account. It is, in effect, a revolving loan account.

Under the new plan, a borrower establishes his maximum credit at the bank and is provided with a supply of 10 special checks, each imprinted with his name. There is no charge for opening an account and no charge until the account is used.

The borrower is free to use as much or as little of his credit as he wishes. Interest on the money borrowed is 1% per month on the aver-

age outstanding balance, and 25 cents is charged for each check drawn. No charge is made for unused or spoiled checks.

As the borrower pays back his account, he rebuilds his credit available for future use. It is, in fact, a revolving or continuous loan arrangement.

The plan sets up a maximum credit for the individual—based on 12 times the amount he agrees to repay monthly. The minimum credit is \$120, repayable at \$10 per month; the maximum is \$2,400, payable at \$200 a month.

With this new plan, First National of Boston, one of the country's 15 largest banks, gets into the field of "retail banking" in a big way.

The new accounts may be used jointly by husband and wife, and life insurance protection is provided by the bank to free one's family and estate of liability on the credit account.

The plan is intended principally for family use in payment of major expenditures—those which many persons prefer to budget—household, tuition, vacation, travel, taxes, fuel, insurance, and so on.

## News on Savings

### Views on Savings Developments from the A.B.A. Savings and Mortgage Conference

#### Role of Savings

HOMER J. LIVINGSTON, president, The First National Bank of Chicago; president, American Bankers Association.

THE economic development of the United States has been characterized by the transfer of vast undeveloped natural resources into tangible forms of private and public wealth, and this has been made possible only as a result of the thrift and savings of our people. The accumulation of capital, as a result of mass savings, and its subsequent channeling by savings bankers into productive uses has helped make possible the building of our homes and factories, our schools, universities, churches, and libraries. It has greatly aided agriculture in becoming highly mechanized. It has given our people a standard of living that is an inspiration to people everywhere. The story of the phenomenal advance in our living standards from the era of tallow candles and horsedrawn carriages to the day of fluorescent lights and jet airliners reflects in a large measure the productive use of savings. . . .

While the savings of individuals have reached new high levels, the number of home owners is also the largest in our history. We have in these facts the fundamentals for continued economic growth and for a stable economic and social system. In discharging the important responsibilities connected with the sav-

ings and mortgage aspects of banking, you have a major role in assuring that sound principles will be followed as the nation grows to new levels of economic achievement.

#### Growth of Savings

JOSEPH R. JONES, vice-president, Security-First National Bank of Los Angeles; president, A.B.A. Savings and Mortgage Division.

To encourage and promote principles of thrift and the habits of savings among our people is of great importance to the national economy. It brings strength to all communities, and is a policy in which all banks may actively participate with benefit for all.

The past year has been another one of great growth and expansion in this field. The growth in savings in banks during the year 1954 was \$5.2-billion, which brought the total of savings and time deposits in all banks in the country to \$73.2-billion. The percentage of increase in commercial banks was 7½% and in mutual savings banks was also 7½%. The total accumulated savings in commercial banks now stands at nearly \$47-billion and in mutual savings banks over \$26-billion.

Total savings as evidenced by all sources now total nearly \$232-billion. It is almost unbelievable, but that figure represents nearly a 300% increase in 10 years, and is 5¼ times greater than in the 1930s.

#### Short & Long-Term Thrift

Discussion by panel composed of President JOSEPH R. JONES, moderator; MAJOR B. FOSTER, chairman, Department of Banking and Finance, New York University; DR. MURRAY G. LEE, secretary, Economic Policy Commission, A.B.A.; LOUIS B. LUNDBORG, vice-president, Bank of America, San Francisco; member, A.B.A. Public Relations Council and Committee on Savings and Mortgage Development; FRANK R. STEYERT, president, South Orange (N.J.) Trust Company; member, Committee on Federal legislation, Savings and Mortgage Division; CRAWFORD H. STOCKER, JR., president, Lynn (Mass.) Five Cents Savings Bank; member, Executive Committee and Committee on Federal Legislation, S&M Division; and THOMAS L. NIMS, secretary, Savings and Mortgage Division, A.B.A.

Professor Foster discusses the proper sphere of various institutions attracting savings funds:

EVERY proper medium for saving and investment must contain in varying degree three precious ingredients. They are safety of principal, liquidity, and reasonable income.

No medium can have any one of these ingredients in exceptionally high degree without sacrificing at least one of the others. One cannot get the maximum safety and liquidity associated with a Treasury bill, for example, and at the same time expect the high yield that can be had in the debentures of a small, local corporation that is barely able to service its debt.

The four chief objectives of sav-





This panel discussed "How Can Institutions Best Serve the Public." Left to right, Messrs. Lee, Lundborg, Steyert, Foster, (speaking), Jones, Stocker, and Nims

ing: (1) the family emergency fund; (2) the fund for making the downpayment on a home; (3) the fund to finance children's education; and (4) the retirement fund.

**Mr. Stocker speaks for mutual savings banks:**

**S**AFETY for funds of savers is still the cardinal principle of the mutual savings banks. The safety provided is no product of mere fortune. It was and is the result of the principles governing mutual savings banks. Not for them is the unseasoned and unworthy security of the bond market, or the unsecured lines of credit, which can work such mischief. For generations, savings banks have been limited in their purchases of securities to those which can pass the test laid down in rigorous state laws; and the loans are limited for the most part to sound mortgages.

Mutual savings banks have kept their operations abreast of modern needs by amendments to law, but in so doing have not surrendered any safeguards.

**Mr. Lundborg emphasizes the safety and other advantages of commercial banks:**

**W**HAT distinguishes the true saver from an investor is that the saver wants his funds always available; and no institution can offer more certain availability than can a commercial bank, whose facilities also offer special advantages such as the ease of transfer from checking to savings accounts. Add to that the flexibility of the bank savings account: any amount may be deposited

or withdrawn without cumbersome rules.

But there is one valuable thing that only a commercial bank can do for its savers, Mr. Lundborg asserted. A savings account in a commercial bank lays the foundation for a personal credit record, for a general financial relationship that can become one of a man's greatest assets, a relationship unique in the business world.

**Mr. Steyert speaks about the place of savings and loan associations:**

**W**HAT have they done for the American saver? Other than return the savings and loans have given nothing that banks have not given; and there is one thing that savings and loans do not give which banks give, and that is liquidity.

There is a place in the American saver's scheme of things for savings and loan associations, but that place is not in the banking business. I believe that after 21 years, Congress should take a new long look at this creature of its very scanty emergency 1933 legislation, with a view toward expansion and clarification of the laws governing the operations of this industry.

**Dr. Lee covers the contributions of credit unions:**

**T**HE best interests of all concerned would be better served if credit unions did not try to provide a broad savings medium in competition with savings institutions.

From the vantage point of the individual, the chief advantage of credit union share ownership is that

it enables him to take advantage of the lending service.

Purchase of shares in a credit union is one way of ensuring access to credit, but it is not much more.

**Mr. Nims discusses what mutual funds, the Stock Exchange monthly investment plan, life insurance, and Savings Bonds offer the saver:**

**M**UTUAL funds exist because of a desire by the purchaser for better investment results through professional and full-time investment management. This type of savings seeks larger income, capital gain, and investment management which is not generally available otherwise.

The New York Stock Exchange monthly investment plan is not savings in the sense of a deposit in a bank . . . It is a new way to channel savings directly into income-producing investments without the need for an individual to first accumulate a large fund of money before embarking on a securities investment program.

Few will disagree that life insurance is an important part of any family's financial program.

. . . Life insurance does not fulfill some of the important characteristics of a savings account, such as complete liquidity and withdrawal privileges, but it does take a lot off the mind of the head of the household in case of emergency.

United States Savings Bonds have the just confidence of the people and are a "little fellow's" method of making a sound investment. Savings Bonds are liquid investments and can be converted readily into cash, although not in the manner of a withdrawal from a savings account.



# News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

## MIT Real Estate Course

A TWO-WEEK course in real estate finance will be offered by the School of Industrial Management of Massachusetts Institute of Technology, Cambridge, Mass., from July 11 through July 22, 1955, according to Ernest W. Huntress, the director of summer session.

"Emphasis will be placed on the role of mortgage finance in real estate markets and the factors which bear on the availability of terms of mortgage credit," according to a preliminary announcement.

This program will be under the immediate direction of Dr. Eli Shapiro, professor of finance and associate dean of the School of Industrial Management. Saul B. Klamann of the consumer credit and finance section in the Division of Research and Statistics of the Board of Governors of the Federal Reserve System will conduct the course.

## FHA Study by Senate Group

SENATOR Sparkman announced recently that his subcommittee of the Senate Banking and Currency Com-

mittee would demand a thorough study into all phases, good and bad, of the FHA program. An appropriation of \$100,000 was requested for this purpose.

## New Housing-Construction

NEW permanent nonfarm dwelling units started in February totaled 90,000. This compares with 75,200 starts in February 1954.

New construction activity declined seasonally in February 1955, but the \$2.6-billion of work put in (CONTINUED ON PAGE 128)

## President Livingston Warns Against Easy Mortgage Terms

EASING mortgage terms as a means of expanding home building may prove unwise in the long run, Homer J. Livingston, president of the American Bankers Association, said recently. Mr. Livingston, who is president of The First National Bank of Chicago, made these remarks at the Midwestern Mortgage Conference of the Mortgage Bankers Association of America.

"Responsibility is always inseparable from opportunity and growth," Mr. Livingston asserted. "A prosperous, expanding economy tends to make us impatient to crowd more and more economic growth into a shorter period. Records must constantly be broken or we are not satisfied. Sound principles are in danger of being compromised to expediency and to the desire for new records of achievement. There is a serious question whether the ambition to reach a higher and higher volume of housing starts should be realized by lengthening of maturities and by a steady liberalization of terms.

"Down-payments grow smaller and smaller, and are often entirely eliminated. Maturities grow longer and longer and as far in the future as 30 years. Prosperity on that basis may not be a bargain. In this connection, it is my personal conviction that under current economic conditions present legislation should be changed to provide reasonable down-payments on FHA and VA mortgages and to provide shorter maturities. Com-

petent and able leaders in the field of real estate financing recognize that sound growth and sound financing are the only ways to lasting achievement."

"Since the end of World War II, we have experienced a phenomenal growth in construction," Mr. Livingston added, "and in only nine years from 1946 to 1954 inclusive, we have had the remarkable total of almost 9,500,000 housing starts. Total mortgage debt has tripled since 1940. In 1930 total mortgage debt was 22% of the total debt of the nation. Today it is estimated at about 18%.

"There are some other comparisons which deserve thoughtful analysis. For example, mortgage debt on one-to-four family homes at the end of 1929 was \$20-billion. In 1945, it was \$19-billion. Today the mortgage debt on one-to-four family homes has soared to an estimated \$75-billion and is equal to about 37% of the Federal debt. In 1954 personal income after taxes rose approximately 14%, but mortgage debt on one-to-four family houses rose nearly 14%, or 10 times as rapidly. Only in the depression years of the 1930s, when our personal income after taxes was at an exceptionally low level, has such debt been so high in relation to this income. Whereas 37% of the housing starts in January 1954, were Government underwritten, by November the number of housing starts underwritten by the Government was over 60%.

"It would be desirable also to consider carefully some of the rea-

sons for the present large expenditures for housing construction. During 1954, there was a sharp increase in VA guaranteed mortgages. The number of housing units financed in this manner doubled.

"In December 1954, the seasonally adjusted annual rate of new private housing starts was 1,473,000, which is the highest rate since the end of the war. However, household formation is now estimated at only 600,000 a year, which is below the rates of 1952 and 1953. No one is competent to say that the spread at present between the formation of households at the rate of 600,000 a year and new private housing starts at a rate of 1,473,000 a year is a safe and sound margin. But it does not seem reasonable that we could forever continue building annually at a rate of 800,000 housing units in excess of the number of households formed."

Continuing, he said: "The American Bankers Association endorses the principles and objectives of this program [Voluntary Home Mortgage Credit Program] as defined by Congress in its Declaration of Policy in setting up this program in the Housing Act of 1954."

He concluded by stating: "In discharging your important responsibilities for the sound financing of real estate, you have a major role in determining the direction and the extent of the growth of the American economy in the years that are before us."



# News for Trustmen

Items and Comment from Our Trust Division and Other Sources

## Administer Unusual Trust

REPUBLIC NATIONAL BANK of Dallas has signed a trust agreement with Drilling & Service, Inc., for a profit-sharing plan under which ownership of the \$3,000,000 Dallas firm eventually will be turned over to its employees.

The plan calls for the company to contribute to the trust an amount equal to 50% of its net profits each year, but limited to 15% of the total compensation paid to participating employees. Employees will contribute nothing to the trust.

Company contributions will be invested in two separate funds, a "company stock fund" and a general investment fund. As company stock becomes available, it will be purchased through the company stock fund. Eventually, it is planned that the 1,000,000 shares of company stock will be owned by the employees themselves. The firm now has 90 employees.

C. L. Deely, president of Drilling & Service, Inc., said that "the company is now owned by five individuals who realize that it was built up by its employees. And we are now willing to turn the company over to those who built it."

Each employee may choose one of the two funds for investment. Company contributions will be turned over to Republic as trustee, and invested either in company stock or in other investments, as directed by an advisory committee of employees.

## Excuse Us, Please!

UNFORTUNATELY our printer dropped a line from the introductory paragraph of "Short-Term and Controlled Trusts" by Marvin L. Madeson in our March issue (p. 93). This sentence should have read:

"Under the 1954 Internal Revenue Code the rules for determining the taxability of grantors of trusts on the grounds of dominion and control were brought together in subpart E of Subchapter J . . ."

Kenneth N. Sloan, left, assistant vice-president and assistant trust officer, Liberty National Bank & Trust Co., Oklahoma City, showing Gordon F. Brown, Oklahoma U. senior, \$500 check which goes to University Foundation to be paid to him in \$100 monthly instalments while he conducts research in estate planning. Earl Sneed, Jr., dean of O.U. College of Law, looks on. This is the bank's third annual award to an outstanding law student to encourage interest in estate planning



## 12 Trust Theses

SOME aspect of the trust business was discussed by 12 of the 38 Graduate School of Banking theses chosen by the School's Library Thesis Committee for circulation by the libraries of the American Bankers Association, Rutgers University, and Harvard School of Business Administration and for inclusion in the 1955 edition of *Present Day Banking*.

*Present Day Banking—1955*, edited and published by BANKING's staff, includes theses, as follows, of interest to trustmen:

*Microfilming in the Preservation and Destruction of Trust Department Records*, by Leslie H. Cavanaugh, assistant trust officer, Colorado National Bank, Denver.

*Farm Property as a Trust Asset in Middle Georgia*, by Ned E. Crowe, assistant trust officer, The First National Bank & Trust Co., Macon.

*Settlement of Death Taxes in Pennsylvania*, by Henry C. Farr, assistant trust officer, Provident Trust Company, Philadelphia.

*Deferred Profit-Sharing Plans as a Substitute Source of Retirement Benefits for Small Enterprises*, by Conrad H. Hines, assistant secretary, Old Colony Trust Company, Boston.

*Turnpike Revenue Bonds as Trust Investments*, by Russell Lamon,

trust investment officer, Provident Trust Company, Philadelphia.

*A Corporate Trustee's Retention of its Own Stock in its Trust Accounts*, by Robert C. Lee, trust officer, Chicago Title and Trust Co.

*Amortization of Bond Premiums by Massachusetts Trustees*, by John P. Mullally, assistant auditor, Old Colony Trust Company, Boston.

*Problems of the Executor Arising Out of the Marital Deduction Law*, by Robert G. Mullen, assistant secretary, Continental Illinois National Bank & Trust Company, Chicago.

*A Cost Analysis of the Principal Methods of Financing Pension Plans*, by Joseph F. Myles, assistant trust officer, Guaranty Trust Company, New York.

*Charitable Foundations for Business Corporations*, by F. Frith Pickens, Jr., assistant trust officer, Guaranty Trust Company, New York.

*The New York Corporation Fiduciary Administering the Estates of Mentally Incompetent Persons*, by Raymond H. Sampson, assistant trust officer, City Bank Farmers Trust Company, New York.

*Oil Interests in Estates and Trusts*, by Kenneth N. Sloan, assistant trust officer and assist. vice-pres., The Liberty National Bank & Trust Company, Oklahoma City, Okla.

(CONTINUED ON PAGE 130)



## CALENDAR—1955

### American Bankers Association

- Apr. 17-19 Executive Council, Spring Meeting, The Greenbrier, White Sulphur Springs, W. Va.  
 May 30- June 3 American Institute of Banking Convention, Miami, Florida  
 June 13-25 Graduate School of Banking, Rutgers University, New Brunswick, N. J.  
 Sept. 25-28 81st Annual Convention, Chicago, Ill.  
 Oct. 13-14 Western Regional Trust Conference, St. Francis Hotel, San Francisco.  
 Nov. 3- 4 Midcontinent Trust Conference, Rice Hotel, Houston  
 Dec. 4- 6 Southern Secretaries, Williamsburg Inn, Williamsburg, Va.

### State Associations

- Apr. 5- 7 New Jersey, Public Relations School, Princeton University  
 Apr. 12-14 Georgia, Bon Air Hotel, Augusta  
 Apr. 19-20 Pennsylvania, Lending Conference, Hotel William Penn, Pittsburgh  
 Apr. 21-23 Alaska, Elks Club, Ketchikan  
 Apr. 24-26 Louisiana, Buena Vista Hotel, Biloxi, Miss.  
 May 4 Virginia Bankers One-Day Trust Conference, Jefferson Hotel, Richmond  
 May 4- 6 New Jersey, Chalfonte-Haddon Hall, Atlantic City  
 May 5- 6 Oklahoma, Mayo Hotel, Tulsa  
 May 5- 6 Tennessee, Greystone Hotel, Gatlinburg  
 May 8-10 North Carolina, The Carolina Hotel, Pinehurst  
 May 8-10 Missouri, Muehlebach Hotel, Kansas City  
 May 12 Delaware, du Pont Hotel, Wilmington  
 May 11-12 Indiana, French Lick Springs Hotel, French Lick  
 May 11-13 Ohio, Statler Hotel, Cleveland  
 May 12-14 Kansas, Hutchinson  
 May 13-14 South Dakota, Alonzo Ward Hotel, Aberdeen (Tentative date)  
 May 15-17 Texas, Texas Hotel, Fort Worth  
 May 16-18 Mississippi, Buena Vista Hotel, Biloxi  
 May 19-20 New Mexico, La Fonda Hotel, Santa Fe  
 May 19-20 Alabama, Buena Vista Hotel, Biloxi, Mississippi  
 May 19-21 South Carolina, Francis Marion Hotel, Charleston  
 May 20-24 Maryland, Claridge Hotel, Atlantic City  
 May 22-24 California, Fairmont Hotel, San Francisco  
 May 22-25 Pennsylvania, Chalfonte-Haddon Hall, Atlantic City  
 May 23-25 Arkansas, Arlington Hotel, Hot Springs  
 May 27-28 North Dakota, Gardner Hotel, Fargo  
 May 28- June 2 West Virginia, S. S. Queen of Bermuda, Cruise  
 June 2- 4 Utah, The Lodge, Sun Valley, Idaho  
 June 3- 4 Wyoming, Sheridan  
 June 4 Connecticut, Equinox Hotel, Manchester, Vt.  
 June 5- 7 Oregon, Empress Hotel, Victoria, B. C.  
 June 5-18 School of Banking of the South, L.S.U., Baton Rouge, La.  
 June 8-10 Illinois, Jefferson Hotel, St. Louis, Mo.  
 June 8-12 Dist. of Columbia, The Homestead, Hot Springs, Va.  
 June 9-11 Massachusetts, New Ocean House, Swampscott  
 June 10-11 \*New Hampshire, Hotel Wentworth-by-the-Sea, Portsmouth  
 June 10-11 \*New Hampshire, Mutual Savings, Hotel Wentworth-by-the-Sea, Portsmouth  
 June 12-14 Idaho, The Lodge, Sun Valley  
 \*Joint convention

- June 13-15 Minnesota, Radisson Hotel, Minneapolis  
 June 15-17 New York, Lake Placid Club, Lake Placid  
 June 16-18 Colorado, Colorado Hotel, Glenwood Springs  
 June 16-18 Montana, Canyon Hotel, Yellowstone National Park  
 June 17-18 Vermont, Equinox House, Manchester  
 June 19-21 Washington, Davenport Hotel, Spokane  
 June 19-22 Virginia, The Homestead, Hot Springs  
 June 20-22 Wisconsin, Schroeder Hotel, Milwaukee  
 June 24-25 New Jersey Mutual Savings, Monmouth Hotel, Spring Lake  
 June 24-26 Maine, Poland Spring House, Poland Spring  
 June 30- July 2 Michigan, Hotel Statler, Detroit  
 Aug. 22-26 Virginia Bankers School, U. of Va., Charlottesville  
 Aug. 22- Sept. 3 Wisconsin School of Banking, University of Wisconsin, Madison  
 Sept. 8-10 Massachusetts Savings Banks, Mt. Washington Hotel, Bretton Woods, New Hampshire  
 Sept. 15-17 Maine Savings Banks, Poland Spring House, Poland Spring  
 Oct. 3- 4 New York Mutual Savings, Shoreham Hotel, Washington, D. C.  
 Oct. 11-12 Nebraska, Cornhusker Hotel, Lincoln  
 Oct. 17-18 Connecticut Mutual Savings, Mountain View House, Whitefield, N. H.  
 Oct. 23-26 Iowa, Fort Des Moines Hotel, Des Moines

### Other Organizations

- Apr. 3- 6 Sixth Southern Regional Convention, National Association of Bank Auditors and Comptrollers, Broadview Hotel, Wichita, Kans.  
 Apr. 7- 8 Pacific Northwest Conference on Banking, State College of Washington, Pullman, Wash.  
 Apr. 14-15 Savings Banks Insurance Forum of the State of N. Y., Hendrick Hudson Hotel, Troy  
 Apr. 17-20 Sixth Northern Regional Convention, National Association of Bank Auditors and Comptrollers, French Lick Springs Hotel, Ind.  
 Apr. 24-27 Twentieth Eastern Regional Convention, National Association of Bank Auditors and Comptrollers, Hotel Casey, Scranton, Pa.  
 Apr. 28-30 American Safe Deposit Association Hotel John Marshall, Richmond, Va.  
 May 9-11 Bankers Association for Foreign Trade, Cavalier Hotel, Virginia Beach  
 May 16-18 National Association of Mutual Savings Banks, Chalfonte-Haddon Hall, Atlantic City, N. J.  
 May 23-25 Ninth Western Regional Convention, National Association of Bank Auditors and Comptrollers, Hotel Utah, Salt Lake City  
 July 24- Aug. 6 School of Financial Public Relations, FPRA, Northwestern U., Chicago  
 July 24- Aug. 6 NABAC School for Bank Auditors and Comptrollers, U. of Wisconsin, Madison  
 Aug. 7-19 School of Consumer Banking, University of Virginia, Charlottesville  
 Oct. 9-13 National Association of Bank Auditors and Comptrollers, Denver, Colo.  
 Oct. 13-16 National Association of Bank-Women, Westward Ho Hotel, Phoenix, Ariz.  
 Oct. 26-29 Consumer Bankers Association, Hotel Sans Souci, Miami Beach, Fla.  
 Oct. 31- Nov. 3 Mortgage Bankers Assn. of America, Statler and Biltmore Hotels, Los Angeles, Calif.




SAVINGS  
ACCOUNT NO. 5263

Apr. 6 53  
Sept. 16 53  
Oct. 8 53  
Oct. 19 53  
Nov. 29 53  
Dec. 27 53  
Jan. 7 54  
Feb. 20 54  
Feb. 25 54  
Mar. 2 54  
June 3 54  
June 10 54

11740  
70576  
82000  
117298  
141262  
158922  
170382  
170355  
23964  
158922  
15516  
4907  
2900  
23060  
271508  
221568  
223978  
226478  
238478

973 DEC 1053 INT

# Interest comes out right when computed automatically by the Friden



THE THINKING MACHINE  
OF AMERICAN BUSINESS

Alexander Pope,  
no banker but a poet,  
put his finger on a  
major banking problem  
when he wrote,  
"To err is human..."

... and the big-capacity, fully automatic Friden handles other kinds of bank figure-work in a simpler, faster, more accurate way than any calculator you have ever seen before. For example:

- Average Daily Balances
- Account Analysis
- Foreign Exchange
- Bond Prices, Yields, Invoices
- Average Daily Float
- Amortization
- Percentages and Ratios
- Federal Reserve Rediscounts
- Account Costs
- Interest on Notes, Mortgages, Small Loans

TODAY banks can't afford the human errors in figure-work that pile up overtime... can't afford the friction with customers human errors cause... can't afford to stay with figuring methods that involve *only* tables or adding machines.

Your answer is the fully automatic Friden—which performs more figure-work steps *without operator decisions* than any other calculating machine ever developed. Call in your nearby Friden Man and see this proved! Friden sales, instruction, service available throughout the U.S. and the world. FRIDEN CALCULATING MACHINE CO., INC., San Leandro, Calif.



## Banks in the Living Room

A NEW manual, "Television for Banks," published by the Public Relations Council of the American Bankers Association, says that 200 banks now using TV time report increases in the number and dollar amount of savings and checking accounts and other services.

Local surveys made by some banks showed that the number of people recalling individual advertising on local television programs increased from 5.2% of those interviewed in 1950 to 13.6% in 1953.

The manual, 13th in a series of A.B.A. public relations studies, is a practical aid to banks in planning many kinds of TV programs. Sections on "how to do it" draw on the successful experience of banks with advertising and community service programs.

### Appropriate Subjects for Banks on TV

Banks generally have avoided highly dramatic television features and have met with success in do-it-yourself demonstrations, reruns of popular motion picture films, and musical programs.

Some have found it profitable to localize, in cooperation with business firms, presentations showing how to make home repairs and additions, or programs concentrating on the achievements of school children, using students as actors and demonstrators.

"A bank's message to the public is part pure advertising and part education, part 'sell' and part 'tell.' Part of your message builds business, while the other builds understanding and goodwill," the manual says.

"Television is the medium of sight, as well as sound. Through it, banks demonstrate their services in action. They go right into the living room and show the tangible benefits of those services and of the industry as a whole. Television can so strongly identify a particular bank with its services that, as one bank recently found out, 83% of the viewers could correctly identify the bank by name.

"In a very real sense, television gives your bank a 'window into the living rooms of your community—a direct, active sight-and-sound con-

tact with your present customers and those you hope to serve."

Besides the advertising aspects of television, banks are called upon many times to assist in presenting public service programs and noncommercial educational programs. The manual gives many suggestions for ways in which these activities can be made more effective.

Television programs sponsored by

banks have been especially effective when carried out as a supplement to a bank's advertising and community relations activities. The A.B.A. booklet discusses in detail many phases of successful television planning by banks.

Supplementing the new manual is the Council's kit, "Television Aids," reported in this month's "Public Relations" department.

WHETHER YOU'RE A CORRESPONDENT BANK OR NOT:

## Give Us A Job To Do

Send us your toughest problem . . .  
Phone LAfayette 3-6800, ask for Correspondent  
Banking Service and get action—fast!

The National Shawmut Bank

40 Water Street, Boston

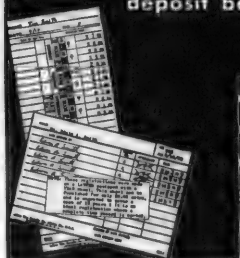
Member Federal Deposit Insurance Corporation



**BANKS BANK**  
ON  
*Lathem*

### TIME RECORDERS

- To provide exact record of payroll time
- To record entry into deposit boxes



**LATHEM TIME RECORDER CO.**  
84 THIRD ST., N. W., ATLANTA, GA.

Gentlemen: Please send me further information, catalog and prices.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



## Mortgage Costs

(CONTINUED FROM PAGE 56)

average portfolio. As to premiums and discounts, we try to meet the current market and try to avoid leading it solely for the sake of making a production goal.

As to servicing of mortgages, we had, during 1954, an average of about 14,000 mortgages, about 7,700 of which were serviced by us and about 6,300 by independent contractors. We do not use the single debit system—one reason being that, as a

result of our policy of obtaining loans anywhere in times of scarcity, as previously mentioned, we found ourselves with over 130 separate contractors at one time. We prefer to use our machine system whereby monthly instalment cards and master cards are automatically prepared; and these, with the contractors' remittance sheets, constitute our only payment records. We do not have any historical record for these outside serviced loans, but rely on the contractor to supply one if required for VA or FHA accounting in the event of default.

On the mortgages which we service ourselves, our machines produce automatically the monthly instalment cards and the mortgage balance cards which reflect both principal and escrow balances. It is interesting to note that, barring any but the regular payments of principal by the borrower, once a mortgage, whether outside-serviced or self-serviced, is set up on our books, it is untouched by human hands, as the saying goes, for interest and principal right down to the final payment. All of that arithmetic is done automatically; but, unfortunately, operators still have to feed cards into the various machines. We expect, however, that there will be more and better automatic machines in the tomorrow of electronics.

### Handling Escrow

In handling of escrow for taxes and insurance, cards have to be hand-punched for each payment. But, once prepared, many of these cards are retained and used to prepare the annual analysis for each escrow account automatically. This analysis is printed on the machines and shows estimated annual amounts for taxes and insurance based upon latest payments; the monthly amount required for each item; and the amount of the reserve which should be on hand for each item as of the date of the calculation. This reserve is compared with the balance the borrower should have on hand, assuming his payments are neither delinquent nor prepaid, and a surplus or deficit is shown. One-twelfth of any shortage is added to the monthly amounts for interest, principal, and escrow, and the new monthly payment indicated. If a surplus is indicated, any amount over \$25 is returned to the borrower. This statement received almost complete borrower approval.

### Starting a New Year

We no longer send out monthly bills on about 90% of all our self-serviced loans. Early in January of each year our escrow analysis goes out with 12 return envelopes, all receipted tax bills, and a calendar year statement of account. The escrow statement clearly sets forth the new amount of the monthly payment required for the next 12 months. The borrower is asked to put his mortgage number on his check

(CONTINUED ON PAGE 100)

*The shortest distance  
between collection points  
in Indiana is...*

**AMERICAN FLETCHER**  
NATIONAL BANK AND TRUST COMPANY

MEMBER F.D.I.C.





The Seeburg Select-O-Matic is furnished as the self-contained Library Unit (shown) or as the Custom Unit for built-in installation.

## Whatever or wherever your business, you, too, can have background music

Seeburg music goes anywhere. To a large metropolitan plant, to a new factory in an outlying community or small town. To a downtown department store or bank, to a suburban shopping center or super market.

That's because it's the most practical and versatile background music service ever conceived. This is how simply it works.

**THE SEEBURG PLAN.** All of the equipment is furnished under a Lease-Purchase Agreement whereby nominal monthly payments apply toward eventual ownership of the entire system. The music is available at a low separate monthly rate.

**THE SEEBURG MUSIC.** Specially and scientifically developed for work and atmosphere use. Every selection is recorded "live" to exacting high fidelity standards (20 to 15,000 c.p.s.).

**THE HIGH FIDELITY SYSTEM** includes the famous high fidelity Seeburg Select-O-Matic and specially designed Seeburg extended range remote speakers. Paging and public address service is also provided. However, if your present facilities include a sound system you can easily add Seeburg Background Music Service.

When you make the decision to bring the established benefits of music to your business, be sure to see Seeburg.



Seeburg Background Music Library. Mastered and pressed on 45 RPM Extended Play discs of pure virgin Vinylite. Monthly refresher service. Manufactured for Seeburg by RCA Victor Custom Record Division.

WORK AND  
ATMOSPHERE



**SEEBURG**  
*Background Music Service*

J. P. Seeburg Corporation, Chicago 22, Illinois

©PR. 1955 SEEBURG MUSIC LIBRARY, INC.

J. P. Seeburg Corporation, Chicago 22, Ill.

Please send data on Seeburg Background Music

Name.....Position.....

Company.....

Address.....

City.....Zone....State.....



(CONTINUED FROM PAGE 98)  
(about 96% do), and we are in business for the year. No receipts are issued. We thus have one 9-cent mailing against the work and cost of 12 3-cent mailings.

As payments are received, the appropriate monthly payment-receivable cards are pulled by hand, from which the machines prepare the required journals and new master cards, showing new principal and escrow balances. One of the journals is used to record the transactions by a double transfer posting operation, one entry on the bank's permanent

ledger card and the second on a similar type of record which is mailed to the borrower annually. Incidentally, tests have shown that delinquencies were actually less on the no bill arrangement than they were on the monthly billing plan.

#### Costs

Regarding cost figures, these include compensation costs and fringe benefits, field expenses, occupancy costs, and office equipment and supplies. For several years, we have made annual cost analyses for all departments of the bank. While we

feel that we have greatly improved our results, there are still areas wherein differences of opinion prevail regarding treatment of various items of expense. I must caution that these figures undoubtedly will not apply to any other bank.

The following servicing costs for 1954 include both outside-serviced and self-serviced mortgages. Conventional mortgages, 90% of which are self-serviced, had a servicing cost of 0.10%, or about \$49 per average loan of \$50,000; VA mortgages, 90% self-serviced, had servicing costs of 0.39%, or about \$34 per average loan of \$8,750; and FHA mortgages only 17% self-serviced, had servicing costs of 0.09%, or about \$21 per average loan of \$23,000.

The cost figure for all our self-serviced loans combined was 0.18%, or about \$40 per loan; for all outside serviced loans 0.10%, or about \$18 per loan; and, if we add to this ratio the average cost of 0.25% for the service fee paid outside contractors, the combined cost of servicing then would be 0.35%, compared to the 0.18% cost when the bank alone does the servicing. The grand total of servicing expenses for all mortgages was 0.145%, or about \$30 per average loan of \$20,570. These figures represent bank costs only and do not include the fee paid outside contractors.

We have determined that a mortgage just under \$1,000 would provide enough income to break even with the cost of servicing.

\*\*\*\*\*

"Mr. Jones bought his wife a dining room suite, Mr. Brown gave his wife a car, and the Smiths have a new color television. But all you ever bring home is money!"



BANKING

# 3 REASONS WHY...

... you should consider adopting



*the most EFFICIENT  
Installment Loan System*

- ✓ All necessary records are produced at one writing.
- ✓ The possibility of transcription errors is completely eliminated.
- ✓ You and your customer have identical records.

Loan-a-matic, which was exhibited at the A.B.A. Installment Credit Conference is the fastest growing system because of its efficiency and low cost operation. Installations now being made in all parts of the United States.

Write today for copies of the Accounting Packet and the Coupon Book so you can see how easily they handle installment loan transactions.

**JOHN W. GROSS COMPANY • HARTFORD 3, CONN.**





# STEEL *Youngstown Kitchens*

## protect your realty investments



New-home financing, or old-home modernizing, is always most sound when investments cover all-steel Youngstown Kitchens.

And now, with beautiful, popular "Go-Together Colors," Youngstown Kitchens add *extra* value . . . at no extra cost.

They're America's best known kitchens  
... in luxurious colors  
... for less than the cost of "custom" kitchens!

Properties with Youngstown Kitchens are worth more on the market . . . worth more as income-producers. See how Youngstown Kitchens can make your realty investments safer, more profitable.

**Many banks have found it helpful for increasing home modernization loans to display a Youngstown Kitchen in the lobby. Write for details.**

### Because Youngstown Kitchens are built of steel, they:

- Last a housetime.
- Cost less to buy, less to install.
- Won't warp, rot, stick, or splinter.
- Offer more features per dollar.
- Bring complete planning flexibility.



# STEEL *Youngstown Kitchens*

Sold in the United States, Canada and most parts of the world  
**MULLINS MANUFACTURING CORPORATION**  
WARREN, OHIO



Youngstown Kitchens,  
Mullins Manufacturing  
Corporation,  
Warren, Ohio

Please send idea  
book on kitchen  
planning and new  
Go-Together Colors.

NAME (Please print) \_\_\_\_\_

FIRM \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

ZONE STATE \_\_\_\_\_

© 1955 Mullins Manufacturing Corporation



# *the Bride's House of 1955*

as featured in House Beautiful's *Guide for the Bride*



## It *means more sales* for United States Steel Homes Dealers

### NATIONAL ADVERTISING AND PUBLICITY

House Beautiful's *Guide for the Bride* has chosen a product of United States Steel Homes, Inc. as its Bride's House of 1955. The summer issue—out this month—will kick off a nationwide sales promotion program for United States Steel Homes Dealers. The Bride's House will be featured in nationwide television commercials on The United States Steel Hour . . . in full-color advertising in *Life Magazine* . . . in giant newspaper ads in each dealer's home town.

### LOCAL PROMOTION

Leading department stores will deco-

rate and furnish Bride's Houses . . . they will tie in displays, fashion shows, and parties with the promotion . . . they will promote and publicize the house and the dealers who build it . . . they will tell customers when and where to see the home. Local dealers in appliances, plumbing and heating equipment, wall tile, paint, and building supplies will also tie in.

### WHAT'S IT MEAN TO YOU?

This promotion, and others like it in the future, will increase consumer interest in all the products of United States Steel Homes, Inc. You will be asked to finance many of these homes.

You will need complete information—about the homes and about the United States Steel Homes dealer organization. Write, and we'll send you all the facts.

SEE The United States Steel Hour. It's a full-hour TV program presented every other week by United States Steel. Consult your local newspaper for time and station.



## United States Steel Homes, Inc.

GENERAL OFFICES: NEW ALBANY, INDIANA

SUBSIDIARY OF UNITED STATES STEEL CORPORATION





## Bulk Milk Tank Financing

(CONTINUED FROM PAGE 72)

room and others have combined a new milking parlor with the installation of a bulk milk tank. Others have had to provide better driveway facilities for the heavy tank truck.

### Conversion Costs

The revolutionary changes accompanying the installation of bulk milk tanks have caused the farmer to think twice about how he can handle his financing requirements. At our bank we feel that each individual farmer's problem is a little different than his neighbor's. Therefore, it is necessary to get a true statement of the farmer's financial position. If it is necessary for the farmer to make major changes, such as a new milk room, costing \$2,000, new wiring and a black top driveway, in addition to a bulk tank, costing \$2,000, he would have a capital investment of \$4,000 or \$5,000. In that case, we should normally recommend a 4½% long-term mortgage of 20 years.

However, farmers would like to have the tank pay for itself out of the savings they can expect when investing from the old method of cooling and handling cans. We estimate it will take about five years of savings to pay for the bulk tank. Like most banks, we prefer to grant loans on a 3-year basis and then to farmers with sufficient repayment ability.

### Milk Association Loans

The milk association put on tank trucks and it felt that all of their producers in the section where the tank truck was operating should have tanks, if this system was to operate efficiently. The association now offers to finance tanks for its producers up to a maximum of five years at 6%, secured by a chattel mortgage on the tank. Payments are deducted from the producer's milk check. During the past year the milk association has found that 40% of its farmers have paid cash for their bulk tanks; 20% have taken from one to four years; and 40% have taken from one to five years to pay.

The majority of farmers for whom we have financed bulk tanks look



*Efficient Services  
in Colombia through*

## BANCO DE BOGOTA

Oldest established and largest Bank in Colombia  
MARTIN DEL CORRAL, PRESIDENT

- Special attention to collections
- Accurate and dependable credit information service

### TOTAL ASSETS:

More than \$ 463 Million Pesos  
(Approximately US.\$186,000,000)

### TOTAL COLOMBIAN FOREIGN BUSINESS:



91 BRANCHES

	Imports	Exports
1953:	US. \$488,661,051	US. \$531,452,635
1954:	US. \$650,626,000	US. \$656,359,000

## BANCO DE BOGOTA

ESTABLISHED 1870 • BOGOTA, COLOMBIA S. A.

## CAST BRONZE OR ALUMINUM Sign Special!

NOW — at these down-to-earth prices make this your opportunity to install these incomparable, genuine bronze or aluminum signs. A wide selection of other styles and sizes is also available. Send for full information — no obligation.

### LARGER SIZES LOW-PRICED, TOO!

No. B-186 — BRONZE OR ALUMINUM

Size 15" x 20"	\$ 86.00
Size 18" x 24"	123.00
Size 24" x 28"	187.00
Size 32" x 36"	315.00

All shipments f.o.b. factory.



Price includes formal institutional name and Federal Insurance wording, if desired. When ordering please specify horizontal or vertical tablets. Hardware for easy installation and decorative rosettes to cover screw-heads furnished with each tablet.

BANTHRICO INTERNATIONAL • 17 N. DESPLAINES ST., CHICAGO 6, ILL.



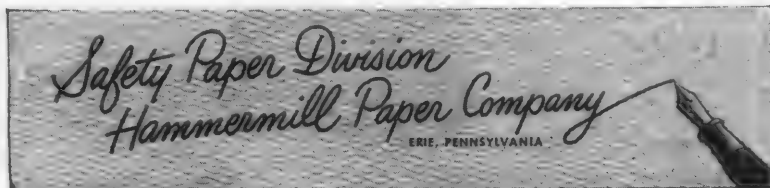


## Picture of Hammermill Safety building good customer relations

**T**HIS customer is writing a check miles from where he banks, but his bank is making a good impression on him this very minute. That's because the surface mark on the check says "Hammermill Safety"—and the customer knows when he sees it that his bank has specified the best-known name in paper for the checks he writes.

Pens glide smoothly over Hammermill Safety's even surface. Ink dries quickly, too. And because its surface is specially sensitized, Hammermill Safety shows up alterations or erasures instantly—gives your bank *protection* as well as prestige.

Specify Hammermill Safety paper next time you order checks from your printer or bank lithographer. You can choose from seven attractive colors, and three distinctive surface designs.



upon this transaction much the same as they do the purchase of a tractor or other equipment and are paying off their loans on a 30- to 36-month basis, at 5½% interest on the unpaid balance. In some cases chattel mortgages are taken on only the tank itself.

Where this equipment is installed in a stationary manner, it automatically becomes part of the real estate, unless the chattel mortgage stipulates to the contrary. Our lawyers recommend that we insert a paragraph in our chattel mortgage specifically providing that even though the tank be attached, it will not become a part of the real estate. It is sometimes necessary to alter the structure of the building in which the equipment is housed to make the installation; therefore, we feel the entrance to the building should be large enough to remove the equipment easily if it should become necessary to do so for one reason or another.

### Tank as Security

Where the bulk tank is assigned as security on a chattel mortgage or a conditional bill of sale, we describe the tank by model and serial number. We also require farmers to take out sufficient insurance to cover the bulk tank, with a loss payable clause in favor of the bank.

The repayment schedule should be set up on a monthly basis and the length of time determined by the security offered. If a milk company of substantial worth is willing to endorse the farmer's paper, bulk-tank intermediate financing may be considered. Banks also may wish to loan directly to the milk companies at reasonable rates and for longer periods of time rather than directly to farmers.

Dairy loans account for 44% of our farm loans, of which about 8% have been loaned to finance bulk milk tanks. Our experience has been very good and we look forward to increasing our volume of dairy business this year by financing more bulk tanks.

---

*The thing we don't like about Father Time is that he doesn't sell round-trips.*

Every spring many Americans tell the Internal Revenue Service that their incomes are nothing to speak of.



# ONE INSERTING & MAILING MACHINE DOES THE WORK OF 23 CLERKS IN A 7' x 10' AREA

**ONE OPERATOR MAILES:** Advertising, Publicity Notices, Dividends, Bills, Statements, Premiums, Price Lists, Catalogs, House Organs, Magazines... quicker and faster than 23 pairs of human hands... handling as many as 4,500 pieces of finished mail per hour including up to 8 enclosures.

**ONE INSERTING AND MAILING MACHINE ELIMINATES:** Staffs of temporary mailing crews, supervisory time, chaotic mailing preparations and excessive floor space—an area of only 7' x 10' is all that's required and this includes working aisles around the unit.

Whether your regular mailings run 10,000 or 1,000,000 pieces or more, Inserting and Mailing Machine will save time and money. No more labor headaches... no more costly mailing delays. Now, you can get your important mailings out on time in a minimum of space without expensive mailing costs. Outstanding companies in every field throughout the country cut mailing costs 80% by mechanization.

Inserting and Mailing Machine will handle 30,000 to 40,000 pieces per day and will pay for itself within a year or two. It is used by Banks, Manufacturers, Publishers, Mail Order Companies, Retailers and Service Organizations.

Let us make a time-cost study of your mailing operation. We will be glad to prepare an Analysis & Proposal for you, showing your present mailing costs and the savings you will enjoy with Inserting and Mailing Machine.

**INSERTING AND MAILING MACHINE CO.**

PHILLIPSBURG, NEW JERSEY

OTHERS ENCLOSURES    INSERTS INTO ENVELOPE    SEALS ENVELOPE    PRINTS POSTAGE INDICIA    COUNTS & STACKS

## INSERTING AND MAILING MACHINE SAVES 80%

Gathers and Stuffs 1 to 8 Enclosures ★ Seals ★ Meters Postage and Prints Postal Indicia ★ Counts ★ Stacks

**Mail Coupon for Facts on Mailing Economies.**

B-4-55

INSERTING AND MAILING MACHINE CO.  
PHILLIPSBURG, NEW JERSEY

☐ Please prepare Analysis & Proposal pertaining to our mailing needs.

☐ Please send us more information about the machine.

Individual .....

Firm .....

Address .....

City..... Zone..... State.....



# 1954

a brief report  
on a successful year

## MARQUETTE CEMENT MANUFACTURING COMPANY

**sales**  
Sales of products and services ..... 1954 \$37,215,031 1953 \$29,826,217

The increase of \$7,389,000 comes largely from two new plants and more capacity at a third.

**net income**

	1954	Per Common Share	1953	Per Common Share
Income before taxes...	\$9,587,312	\$9.89	\$8,984,368	\$10.34
Less income taxes.....	4,466,263	4.70	5,152,451	6.06
Net income.....	\$5,121,049	\$5.19	\$3,831,917	\$ 4.28
Number common shares	950,000		850,000	

Elimination of the excess profits tax accounts for \$1,026,000 of the increase. The two new plants did not attain earning status until after year-end.

### common dividends

The quarterly dividend rate was raised from 50c to 60c a share for the final 1954 quarter and 60c a share has been declared for the first 1955 quarter.

### rehabilitation

Major rehabilitation work at the two new plants is now complete. We expect profitable operations there in 1955.

### additional capacity

The Ohio plant capacity is being increased a quarter million barrels effective about mid 1955. Other capacity needs are being studied.

### 1955 prospects

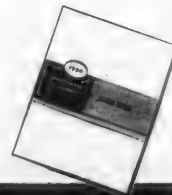
It is estimated that total new construction will exceed 1954 by 7%. For highway building alone an 18% increase is forecast. We anticipate capacity operations in 1955.

## BALANCE SHEET SUMMARY

December 31

Assets	1954	1953
Working capital.....	\$ 7,275,470	\$ 6,610,754
Investments in other companies....	50,000	50,000
Other assets.....	29,354	1,187,546
Properties, plants & equipment—net....	35,282,530	25,531,685
Deferred charges.....	1,020,623	898,754
	\$43,657,977	\$34,278,739
<b>Liabilities and Shareowners' Investments</b>		
Long term debt.....	\$11,400,000	\$ 8,500,000
Reserves.....	1,524,810	1,146,896
Preferred shares and premium.....	3,780,000	3,802,800
Common shares.....	9,500,000	8,500,000
Retained net income..	14,631,242	11,694,428
Additional paid in capital.....	2,821,925	634,615
	\$43,657,977	\$34,278,739

Broadened markets and sustained high production contributed substantially to Marquette's growth in sales, earnings and financial stability during 1954. The full story, including complete facts and statistics on the year's operations, is presented in our just-published annual report. We will be pleased to send you a copy on request.



**MARQUETTE Cement**  
MANUFACTURING COMPANY

Operating eight cement producing plants in Illinois, Iowa, Ohio, Missouri, Tennessee, Mississippi and Georgia

**ANNUAL CAPACITY**  
13,600,000 barrels

EXECUTIVE OFFICES • 20 N. WACKER DRIVE • CHICAGO 6, ILL.



## Public Relations

(CONTINUED FROM PAGE 48)

temporary quarters, emergency equipment, supplies, opening the vault after the fire, notifying the public that the bank is back in business (the Beverly was on the job again eight hours after the first alarm), insurance, etc.

Secretary Tufts says that the MBA members have expressed much interest in learning how the Beverly National met the great emergency.

### Prizes for School Visit Reports

**S**AVINGS accounts are the prizes won by the six junior and senior high school pupils who write the best papers on their visits to the CARBON EMERY BANK of Price, Utah.

The awards were added this year to the bank's five-year-old school relations program which, says Cashier Earl F. Hills, is popular and "has done much to make the boys and girls realize that bankers are really ordinary people who are interested in their welfare."

The classes visit the bank when they reached the textbook chapter on banking.

### "Housewives and Banks"

**T**HE "Coffee Time" TV broadcast on January 24 featured a panel of bankers discussing "Housewives and Banks," a program arranged by the Educational Foundation of the New York State Bankers Association.

Prominent also on the program was the American Bankers Association's new publication, *The Family Dollar*, designed for distribution by banks, and offered in the broadcast to all who mailed a request.

### Award: State Capitol Trip

Ten 8th grade students from Brooklyn got a trip to the State Capitol at Albany as the prize for an essay contest which was sponsored by three Brooklyn savings banks: the GREEN POINT, the KINGS HIGHWAY, and the PRUDENTIAL. The group went in company of an Assemblyman and a Senator, paid visits to both legislative chambers, and had an interview with the Governor.

*Here are a few ideas on contents and treatment culled from the 1954 annual reports of banks.*

### Questions and Answers

The 1954 report of GIRARD TRUST CORN EXCHANGE BANK, Philadelphia, is entirely in question and answer form. The queries are those which "might locally be asked by people interested" in the bank. For instance, the first question is, "How did the bank make out in 1954?" The answer gives net operating earnings after taxes, per share earnings, a few highlights of the year. There's a reference to the complete figures on another page. Included also are the daily average statement of condition, a 10-year statistical history, and cartoons, now a fixture in this report.

### "A Delightful City"

THE FORT WORTH NATIONAL BANK devotes several report pages to pictures that carry out the theme "Fort Worth: a Delightful City in Which to Live."

### Keyed to These Times

THE CHASE NATIONAL BANK, New York, has a section on "The Bank and Atomic Energy," notably the appointment to the staff of Dr. Law-

rence R. Hafstad, former director of the Reactor Development Division, Atomic Energy Commission. Dr. Hafstad is associated with the bank's Special Industries Department as atomic energy consultant, and is available to customers for consultation in that field.

### Pocketable

UNION BANK & TRUST COMPANY of Los Angeles makes its pamphlet tall and narrow—easy to slip into a pocket.

### Report to Employees

FIRST NATIONAL BANK IN ST. LOUIS issued its first annual report to the staff. The four-page folder, "How Did We Do in 1954?" was mailed to all employees at their homes. The inside spread is a cartoon story that breaks down the bank's income and outgo, explaining each item. The back cover tells about the fringe benefits.

### Community Growth

THE FIRST NATIONAL BANK OF TAMPA's report includes a section on "Tampa's progress through the efforts of its citizens"—a resumé of the city's growth in 1954.

### Yardstick

NATIONAL BANK OF COMMERCE, San Antonio, uses "Measure Your Bank by Its Usefulness" as a running head, printed in blue script, on each page of its pamphlet.

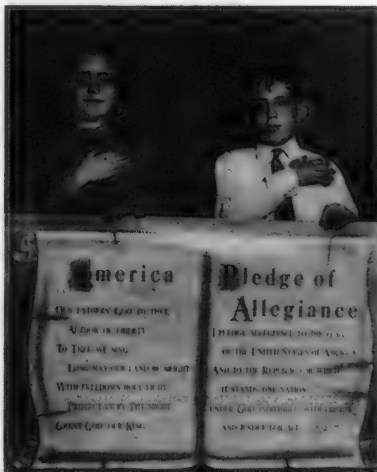
### The Traffic Challenge

THE BRIDGEPORT-CITY TRUST COMPANY of Bridgeport, Conn., plays up its efforts to "meet the challenge of the automobile." Four pages of the report show, with drawings and text, the parking lot, snorkel, and drive-in services available at the several offices.

### Stockholders' Page

THE COUNTY TRUST COMPANY, White Plains, N. Y., explained, on two facing pages, its resources and liabilities items. Another feature was a page addressed to the stockholders. It included a table showing distribution of the bank's stock and a word of thanks to the shareowners for their help in building business.

Twenty-nine of the 36 members of Group V Savings Banks Association, Brooklyn, N. Y., have distributed more than 20,000 patriotic plaques to classrooms and meeting places in their neighborhoods. The plaques are printed in red, white and blue and measure 28 by 42 inches





## Operating Procedures

(CONTINUED FROM PAGE 45)

duties relating to machine systems."

The bank's research and methods section is constantly in touch with all phases of electric accounting machine operation and development.

"Machine methods studies are focused on operations which appear sensitive to the possibility of using electric accounting machines advantageously," said the speaker. "Certain procedures, for instance, have the earmarks of natural punched card applications. Instalment loan work is such a type, although there has been a difference of opinion among various banks and finance companies as to the exact method to use, particularly with respect to the historical ledger sheet. In our research we originated and developed a new method which provides a current positive posted ledger. We made exhaustive experiments as to its practicability. We found a healthy plus on the credit side and consequently put the system into operation. [See *BANKING'S 'News for Instalment Credit Men'*, December, 1954.—Ed.]

"This group also watches closely developments in the magnetic tape field so dramatically illustrated by the new giant brains or data processing machines. The men asso-



At the freight payment plan conference in Atlanta. Ronald Roe, manager of the plan at The Citizens & Southern National left shows the operation to, l. to r., Henry Bowen, First National Bank of Boston; Albert C. Armstrong, Mercantile National Bank, Dallas; C. H. Kaiser, Citizens National Bank, Evansville, Ind.; Edwin G. Groll, Fifth Third Union Trust Co., Cincinnati; Robert E. Graham, Cass Bank and Trust Co., St. Louis; J. D. Augustus, Jr., Bank of Louisville, Ky.; Daniel T. McMahon, Chase National Bank, New York

ciated closest with wiring panel boards for punched card equipment have no fear of the new machines. In reply to my question, What would he do when tapes replaced punched cards, one of our men replied, 'I'm not worrying about the new machines. If I can't run 'em, they can't sell 'em'."

Emphasizing the importance of personnel training, Mr. Livingston

said this should include job-writes-ups of every operation, made available to all the members of a department.

Bankers Trust has a "What I Do, How I Do It" form for the file maintenance group. And in the machine room there are large envelopes that hold process charts, panel board diagrams and text decks. This material contains the technical information for doing the jobs.



A teller's cage that rises in the middle of a parking area and descends into the bank basement when not used has been installed by the South Side Bank & Trust Company, Chicago. Mounted on a hydraulic lift, it's a 6 by 7½ foot steel cage, containing all equipment needed by a teller, including two-way communication with the bank. The teller enters from the basement. The installation was developed because the bank didn't have room for a second drive-in in the building.

Photo shows the equipment half submerged

### Freight Payment Plan

SIXTEEN banks that now operate clearinghouse plans for settlement of freight accounts between carriers last year handled more than \$100,000,000 in freight bills.

This total was reported by George H. Minnick, comptroller of the American Trucking Association, at a conference of banks from 14 transportation centers, held in Atlanta. The Citizens and Southern National Bank, first to put a freight bill payment plan in operation, was host at the meeting.

The method provides that carriers deposit freight bills with a bank which then transfers funds from the freight customer's to the carrier's account, thus eliminating use of checks, and several clerical procedures.

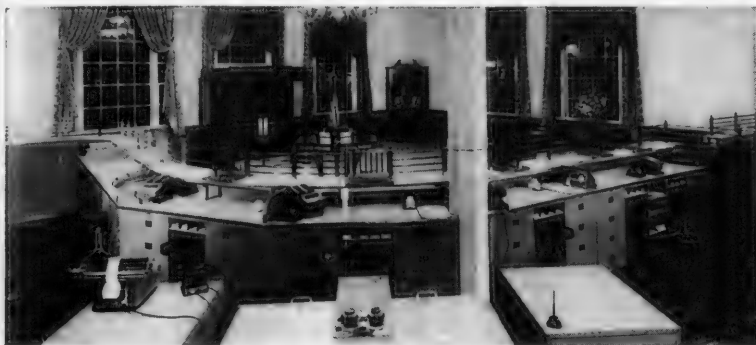
(CONTINUED ON PAGE 110)



**Remington Rand**

## BETTER BUSINESS METHODS

For Greater Profits  
Through Lower Costs



Remington Rand Stock Bank Counters give an air of individuality to this branch of the Liberty Bank, Buffalo, New York. Their spacious, orderly, clean and friendly appearance creates an immediate "good" impression on depositors... provides comfortable, convenient and efficient working facilities for employees.

### Modern Efficient Stock Counters Make Banking a Pleasure for Everyone

Banks everywhere are benefiting from the unique advantages of the new Remington Rand Stock Counter units. Low in cost yet unsurpassed in appearance and convenience, they give better vision, increased audibility, greater security and improved ventilation. Modernization of inefficient, old-fashioned cages and counters is invariably followed by increased deposits and depositors.

Stock Counters fit perfectly into any remodeling or rebuilding plans. Three basic, flexible units... the commercial teller

unit, the return unit and the savings teller unit can be quickly installed in almost limitless combinations or multiple arrangements. Each steel unit is designed to assure working convenience that is tailored to the specific need of each teller. Standard unit construction makes maintenance easier and less expensive and facilitates later expansion or rearrangements that may be necessary.

To get your free copy of an illustrative and informative 16 page brochure, circle X1440 on the coupon.

### Now—At Last, A Fully Automatic Calculator That Prints

The new Model 99 printing calculator is the perfect answer to all your figuring problems. It automatically multiplies, divides, adds and subtracts amounts up to one-hundred trillion. Every calculation is printed and proved on easy-to-read Simpla-tape with totals and sub-totals in red. Unlike large-keyboard calculating machines, the Model 99 offers fast touch-method operation.

For the facts about Model 99, Circle C669 on the coupon.



### New BANK TRUCK Offers Complete Mobility... Choice Of Compartments

Internal transfer of notes, securities, card or paper files is safe and easy with the new Remington Rand Bank Truck. Scientifically designed drawers provide concealment and security. Lifetime, all-steel construction. Moves easily over door sills, vault runways. An exclusive parking device eliminates pulling and hauling often associated with ordinary swivel-caster-equipped units.



A wide selection of interior drawers and shelves permits varied combinations according to individual bank needs. Drawers glide smoothly on balanced, full extension runners and are removable.

Circle LBV598 on the coupon for free descriptive literature.

**Remington Rand**

Room 1427, 315 Fourth Ave., New York 10

Yes, I'd like to have the literature circled.

X1440 LBV598 C669

Name \_\_\_\_\_

Title \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

Profit-Building **IDEAS** For Business



(CONTINUED FROM PAGE 108)

Bankers attending the conference adopted a plan for continuous exchange of information between banks operating freight bill or interline clearing payment systems.

An operating improvement reported involves bill validation by carriers instead of shippers or receivers, thereby cutting procedures.

### Instalment Loan Control

"HOW can we get an instalment loan control that will be effective, yet inexpensive?"

That question was answered by Rowland A. Radford, vice-president and cashier, Bank of Virginia, Richmond, in a talk at a National Association of Bank Auditors and Comptrollers meeting. Here's a digest of his suggestions:

If the bank is of such size that one or more persons must spend full time in the department, they should be thoroughly trained in instalment loan procedures. In the small bank where this isn't feasible as much time as possible should be given to the routine checking.

Check to see that all notes and/or contracts are executed properly and approved within reasonably current credit procedures. If insurance is required, follow through to see that the policy is received and that coverage is adequate, with the loss payable clause in favor of the bank.

Income should be verified from interest rates charged or from the applicable rate chart, and this income then checked to the income account. It's equally important that the control be extended to determine that the amounts checked actually reach the earnings account. One of the next deterrents to manipulation of income is an effective system of accrual accounting. This enables changes in the flow of income to be detected.

### Inspect Collateral

All collateral named on the notes or contracts should be carefully inspected. In many banks this is a continuous function, in others it's done periodically. Exception should be taken to changes not properly approved by an officer. The person performing this function should have a comprehensive list of representative exceptions to be noted. Give the collateral ample protection, under custody of one or more persons.

The auditor should run the ledger cards periodically to see that the loan categories agree with the general ledger or subsidiary control accts. Periodically, physical comparison should be made of notes and contracts with ledger cards. Exceptions of any dissimilarity between the two should be noted.

If the auditor is responsible for appraising the notes he must check the credit files as an aid in making the classifications. In larger banks where the directors exam is made by the auditor and his staff the credit files should be examined carefully because the responsibility of appraising the bank's assets is a customary requirement in such exams.

### Check Past Due Accounts

Scrutinize past due accounts closely to be sure that notices are being sent, and to check the delinquent charges. Check details of repossessed items and their disposition. The auditor should be satisfied that reports of past due accounts are prepared regularly and

## YOU CAN BANK ON

# CheckMaster

to help you win and hold  
checking account customers

Both CheckMaster (free book plan) and Chexcel (sell the book plan) now have the best looking check sets in the field . . . and still cost less. Judge for yourself. Write for sample check set.



We help you  
**FIND**  
customers

with newspaper ad mats, car cards  
and radio spot announcements.



We help you  
**SELL** them

with counter and lobby  
posters, folders and  
illuminated displays.

We help you  
**SERVE** them



We furnish all deposit slips,  
signature cards, ledgers, statements.

✓ No initial outlay for operating  
forms or merchandising aids.  
Bank pays only for personalized  
checkbooks ordered for accounts  
actually served.

✓ Personalized plans that feature  
top quality imprinting.

More profitable for Banks

More popular with Customers



400 MADISON AVENUE, NEW YORK 17, N.Y.  
NAPERVILLE, ILLINOIS

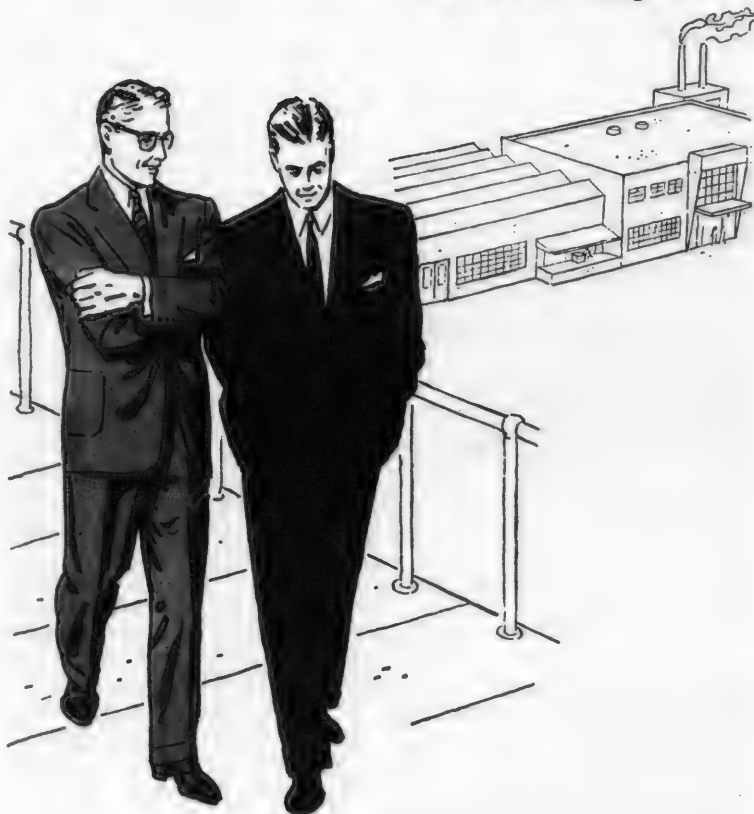


A careful verification of the calculation and payment of rebates on anticipated loans is a must. Careless handling of this can be expensive. Customers should sign receipts for cash rebates.

**T**HE National Association of Bank Auditors and Comptrollers has published a new 121-page manual, *Commercial Proof Department Operations*. Designed for practical use by banks of all sizes, it includes a comprehensive study of these procedures and the principles underlying them.

The manual was prepared by a subcommittee of NABAC's Commercial Operations Commission: Alvin J. Vogel, vice-president, Central National Bank, Chicago, chairman; F. H. Remmert, second vice-president, Continental Illinois National Bank and Trust Company, Chicago; Harry E. Mertz, assistant executive secretary, NABAC; and Robert H. Bukowski, assistant secretary.

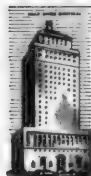
*with the Royal''*



Canada's largest bank can help find the answers to your customers' questions about business in Canada. We provide American bankers with assistance in securing information on sales, manufacturing, financial and production opportunities. You can obtain this assistance by writing: Business Development Dept., at Head Office in Montreal.

Over 800 branches in Canada, the West Indies, Central and South America,  
New York, London and Paris.

# THE ROYAL BANK OF CANADA



**HEAD OFFICE: MONTREAL**

**New York Agency—**

68 William Street, New York 5, N.Y.

## Canada's Largest Bank



**REDUCE Fatigue...  
INCREASE Efficiency**

**WITH  
Foot Comfort  
RUNNERS and MATS**



**HERE'S THE SECRET**

Note the cutaway section above showing construction of the Hygienic FOOT COMFORT CUSHION. A tough rubber base provides proper support without being "mushy." Thus, fatigue induced by standing on hard floors is eliminated — with a resulting increase in the user's efficiency.

Wherever people must work standing — at tellers' cages, counters, machines — FOOT COMFORT CUSHIONS pay for themselves by increasing the efficiency of personnel. Edges beveled for safety and appearance. Eight marbled color combinations.

**MATS:** 18 x 30", 18 x 48", 24 x 36", 36 x 64"  
**RUNNERS:** TO 36" width, any length.

See your **BANK OUTFITTER** or **OFFICE SUPPLY DEALER**, or write: **FLOORING DIV., Dept. E-4** for prices and literature.

**THE HYGIENIC DENTAL MFG. CO.**  
AKRON 8, OHIO, U.S.A.

**Aldens INC.**

**100th**

**COMMON STOCK DIVIDEND**

The Board of Directors has declared a quarterly dividend of 30¢ per share of common stock—payable April 1, 1955 to shareholders of record March 9, 1955. This is the 100th common stock dividend paid by Aldens.

**PREFERRED STOCK DIVIDEND**

Also declared, a quarterly dividend of \$1.06¼ per share of preferred stock—payable April 1, 1955 to shareholders of record March 9, 1955.

Robert W. Jackson, President

## Washington

(CONTINUED FROM PAGE 40)

Mr. Fulbright said that he was simply interested in ascertaining whether the level of securities prices had under the bull market of 1953-55 become too high, perhaps so high as to jeopardize the objectives of the Employment Act of 1946, and if so, what should be done about it. The Employment Act of 1946 supposedly commits the Federal Government to the maintenance of full employment at a constantly rising standard of living.

If Mr. Fulbright started without any preconceived notions about the bull market in stocks, however, some committee members apparently had at least one notion in mind. That was that banks, in effect, might be evading the Federal Reserve margin regulations in making loans to purchase and carry securities after their customers had signed statements that the proceeds of the loans were not being used for this purpose.

Senator Paul H. Douglas (D., Ill.) particularly raised this point, and indicated that in his opinion the Federal Reserve figures on stock market credit were too low.

Thus it appears that considerable stress may be made of the point that banks were, by providing credit, helping to sustain a speculative market in stocks.

Initially most of the witnesses professed the belief that the level of securities prices should not be comparable to the level of prices at the time of the 1929 stock market collapse. They pointed out that underlying economic conditions were different now from 1929, that prices were less inflated in terms of earnings, and so on.

On the other hand, Mr. Fulbright appeared to lean toward the idea that the situation was dangerous and that perhaps prices were too high.

It was unclear at writing what would come out of this inquiry.

There is scarcely any field of inquiry where one can find more honest differences of opinion by well informed men as there is as to the validity of security price levels and what is responsible for those levels reaching any given point.

### Opinion on Margin

Chairman William McChesney Martin of the Federal Reserve Board

vigorously defended the use of bank credit in the purchase and carrying of securities when he appeared before the Senate Banking Committee inquiry into security prices.

Such loans, he said, made an important contribution to a free economy, helping immeasurably in setting up a market for equities and thereby assisting in making equity financing possible.

Much of the chairman's discussion was occupied with explaining the mechanics of Regulation T to the members of the committee, who obviously were unfamiliar with this regulation. Mr. Martin explained that even if, by exempting certain transactions which might occasionally be used to carry and purchase securities, there was an increase in credit used for such purposes, the result was more desirable than would be achieved by imposing an inflexible rule.

Senator Paul H. Douglas (D., Ill.) severely berated the Reserve Board for lowering margin requirements to 50% from 75% in 1953 when "the Board was generally tightening credit," the Illinois Senator said.

Mr. Martin responded that specific controls were being abandoned for general controls, and specific controls had been dropped on consumer and real estate credit. Therefore, it was felt inequitable to maintain such a stiff specific control on securities credit, Chairman Martin explained. Senator Douglas indicated that in his opinion the Board was trying to encourage speculation.

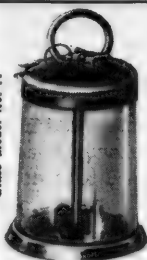
### Economic Recommendations Offered

All the members of the Congressional Joint Committee on the Economic Report, in their report on the President's Economic Report, recommended that Congress keep taxes at levels which would balance the Treasury's cash budget.

They also backed the President's request for an increase in the statutory debt limit. "It is imperative that the Treasury be in a position to meet the national security and other obligations voted by the Congress," the committee observed.

The committee also came out strongly for increasing Federal public works, as well as state and local public works, "to meet the needs of a growing population." The committee observed that "because of war restrictions, the nation has





## You Become the Receiver of this bank's Frozen Assets!

This Bower Visible Glass Coin Bank induces children to save money. (Adults also like to see what they save—save what they see.) So feature the theme: "IT'S FUN TO WATCH YOUR SAVINGS GROW!"—watch your traffic grow, too. It's the smart way for you to save advertising costs—yet build depositors (not only children but their parents)—and build present and future customers for your other services, too!

### A Popular Promotion

#### • FREE ADVERTISING

#### Excellent Public Relations

This is a popular promotion among many banks throughout the U.S.A. because it's fast-selling, quickly self-liquidating (you sell the banks at cost)! Puts FREE advertising into customers' homes as a constant reminder of your name and services—space that just can't be bought! Good public relations, too—proves you're right on your toes finance-wise! Sales Guaranteed or Money Back!

Write for full information today.  
Don't delay!

**The Bower Manufacturing Co.**

11 Bower Bldg. Phone 3-1774  
Goshen, Indiana

#### EXPORT DEPARTMENT

Galban & Co., Inc.  
75 West Street New York 6, N. Y.

## FACTUAL Appraisals

for every valuation need

- Insurance—coverage and proof of loss.
- Property, cost and general accounting.
- Corporation finance.
- Legal requirements.
- Purchase or sale.
- Reorganization, merger or consolidation.

THE  
**LLOYD-THOMAS**

RECOGNIZED APPRAISAL AUTHORITIES CO.

4411 Ravenswood Avenue, Chicago 40, Ill.

First for Factual appraisals  
— since 1910 —

OFFICES IN PRINCIPAL CITIES



fallen behind in meeting these needs."

On the other hand, the committee opposed the indirect methods of financing proposed by the President.

"In so far as the Federal Government finances these public works, and we believe it should make important contributions, the financing should be direct from the Treasury, rather than from indirect authorities which circumvent the public debt limit or are nurtured by special earmarked revenues."

Another unanimous recommendation was that there be provided "adequate credit to small family farms." It also proposed that "special attention" be given to the area of aiding small business.

Various supplemental views were given by different numbers of the committee, including minority members.

### Bank Mergers Interest Congress

There is no doubt but that Congress is cocking an interested eye upon bank mergers by New York City banks.

As a consequence of the consolidation of the Chase National Bank of the City of New York and the Bank of Manhattan Company, an institution of some \$7½-billions of assets is created.

In the consolidation of the National City Bank of New York and the First National Bank of the City of New York, a bank of more than \$6¼-billion emerges. Consolidation of the Public National Bank and Trust Company of New York and the Bankers Trust Company creates a bank in the range of \$2¼-billion.

When the first of these three was announced, Chairman Emanuel Celler (D., N. Y.) of the House Judiciary Committee, vigorously protested in letters to Federal and state supervisory authorities, and he introduced a bill which would require the approval of supervisory authorities before any other mergers could be completed and the authorities would have to determine, before giving approval, that they did not substantially lessen competition.

Officials fail to recollect any other individual mergers or purchases of such large magnitude since the days before the Bank Holiday of 1933.

Whereas, when the first of the proposed consolidations came up, Mr. Celler aroused little interest with his protests, it is now indicated that the

## Is depreciation "anybody's guess?"

Depreciation is an important and measurable element in determining costs, profits, and taxes. Through property analyses and remaining life studies, the factor of variance in measuring depreciation may be reduced to a very narrow range.

## The AMERICAN APPRAISAL



Company

Over Fifty Years of Service

OFFICES IN PRINCIPAL CITIES

Because we  
work  
around  
the clock...

YOUR  
CHECKS  
ARE  
COLLECTED FASTER



THE NATIONAL CITY  
BANK of Cleveland



623 Euclid Ave.

Member Federal Deposit Insurance Corporation



# Whatever Your Needs in Michigan...

For complete correspondent service, get in touch with Manufacturers National. Our banking offices in Detroit, Dearborn, Highland Park, Grosse Pointe Woods, Van Dyke and Redford combine to provide you with prompt, careful handling of your every requirement.

## Manufacturers National Bank

OF DETROIT

Detroit 31, Michigan

*Member Federal Deposit Insurance Corporation*

interest might be wider. Mr. Celler asked Chairman Brent Spence (D., Ky.) at that time to consider his bill to require the Federal supervisory authority approval of mergers. The committee initially indicated no immediate willingness to take up the Celler Bill, and planned to invite Mr. Celler to appear in the course of the public hearings on the bank holding company bill, to state his case.

As further mergers developed, the committee leadership changed its thinking. It was decided tentatively that the Celler Bill would be taken up by the House Banking Committee later in the year (the Judiciary Committee, of which Mr. Celler is chairman, does not have jurisdiction over bank merger legislation). So Mr. Celler's public airing before the Banking Committee of his complaints against the large bank mergers in New York City will await the consideration of his merger regulation bill by the committee.

How seriously the House Banking Committee will go into the legislation will depend, it was indicated, upon what develops in the near future on bank mergers. The committee has a certain amount of renewal legislation and routine matters coming up that precludes it from taking up the Celler Bill until later in the session.

### Patman Is Interested

Rep. Wright Patman (D., Tex.) also expressed an interest in bank mergers, in connection with the holding company hearings. He referred to the fact that the Federal Reserve Board, at the request of the Monopoly Subcommittee of the Senate Small Business Committee, had submitted a staff report Sept. 10, 1952, on "Concentration of Banking in the United States." Mr. Patman asked Chairman Martin of the Reserve Board to bring this study up to date.

This was done. It was also learned that the Senate Small Business Committee earlier also requested the up-to-date figures on banking concentration.

It was noted in the 1952 study that, during the first two decades of this century, accompanying the rapid agricultural and industrial development of the United States, the number of banks grew rapidly, to nearly 30,000 in 1921. The process began to reverse in 1922 as the country appeared to be in an overbanked position, and then there was a gradual



*Max W. Hofmeister, Pres.  
Mobile-Home Agency  
Insurance Consultant To  
Mobilehome Finance Institutions*

## *A Sound Insurance Program is the Backbone of Mobilehome Financing*

**M**OBILE-HOME AGENCY offers Specialized Insurance Coverages to mobilehome financing institutions.

Representing major stock Specialty companies, we provide the flexibility and special experience to assure a sound insurance program for clients who are discounting mobilehome paper.

Complete coverages with nation-wide protection and claim service provide the assurance of protection of your portfolio.

Your inquiry concerning Mobilehome Financing-Insurance will receive our prompt attention.

FIRE... THEFT... and  
Combined Additional  
Coverages  
Collision, including Trip  
Collision  
SKIP Coverages and Single  
Interest Collision  
Group and Individual Credit-  
Life, Accident and Health



## INSURANCE

A GUARANTEE AGAINST LOSS

Insuring Mobilehomes From Coast to Coast is our only business

**MOBILE-HOME AGENCY, INC.** Keeler Building **GRAND RAPIDS, MICH.**



decrease in the next eight years.

"Declines in farm income were reflected in deterioration of assets and lack of business in rural communities. Expansion of industrial and financial activities in urban centers was accompanied by numerous consolidations and absorptions of banks, and improvements in roads and automobiles eliminated the need for many banking offices," the staff study noted.

During four years of the depression of 1930-33, inclusive, 8,812 banks suspended and a low at that time of 15,029 banks was reached in 1933. Since that time the number has remained fairly constant, decreasing slightly to 14,618 at the end of 1951. This period 1933-51 was termed in the 1952 staff study as one of gradual adjustment.

"At present, bankers and bank supervisory authorities seem to agree that there is a reasonable balance in the availability of banking facilities in most areas; and that all communities able to support a bank or branch have at least one in the locality or have one within a distance that is considered reasonable in modern days of improved transportation and communications," the study says.

The number of branches had increased relatively faster during this period than the number of banks.

"Through mergers there still is a tendency toward further concentration in certain areas, particularly large cities; for example, in New York City. This tendency toward concentration is due in large part, it is claimed, to relatively low earnings and high capitalization of some city banks, and is merely a continuing adjustment of what may be called from an economic point of view a relatively overbanked condition," the Board's staff wrote in 1952.

"When measured by the relative volume of banking business controlled by the hundred largest commercial banks in the country, the degree of concentration increased from the early Twenties until World War II but subsequently declined to the level of the early Thirties," the report observed.

#### Same Trends Continued

"The trends noted in the previous report, which covered the period through 1951, have continued during the past three years," the Board's staff noted in a memorandum bring-

ing the 1952 study up to date. Figures are only through calendar 1954, and in some instances are preliminary.

"The number of branches has continued to increase and the number of banks has continued to decrease. Through mergers there is a continued tendency toward further concentration of banking in certain areas, particularly in large cities and their immediate trade areas. Practically all banks have continued to increase in size, but the relative volume of banking business controlled

by the 100 largest banks in the country has not changed in recent years."

In number there was a decline from 14,618 banks at the end of 1951 to 14,364 at the end of 1954. New banks continued to be organized, but the annual average rate during the last three years was only 69, compared with 80 during the 10-year period 1942 through 1951. These new banks, the Board's staff reported, have been more than offset by absorption, as a result of which banks have become branches.

(CONTINUED ON PAGE 118)

## OLD SUPERSTITIONS

and what they mean



The taboo of "13" dates back to the time when man first learned to count. Using his ten fingers, and counting each foot as a unit, he came up to the number twelve. Beyond that lay the awful unknown . . . 13!

Nowadays, the unforeseen is not to be feared when you're protected by "L & L's" new Comprehensive Dwelling Policy.



### THE London & Lancashire GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA



### "WINDOW" in Washington

From our advantageous location in the heart of the Nation's Capital, we are in an exceptional position to render useful service to correspondent banks.

## American Security & TRUST COMPANY

Daniel W. Bell, President  
Washington, D. C.



Member Federal Deposit Insurance Corporation—Member Federal Reserve System



She'll tell you it's **EASIEST TO USE...**

## *The entirely new* **BURROUGHS**

Every so often, someone builds a new machine that far outperforms all that have gone before it—and this is such a machine. Completely new, and designed specifically for commercial account posting, the Burroughs Sensimatic will do *more work in less time* than any bank bookkeeping machine yet devised. What's more, *any* operator; after an hour with a Sensimatic, will tell you it's the fastest, easiest-to-use, most error-proof machine she's ever worked on. A few of the reasons why are explained on these pages.



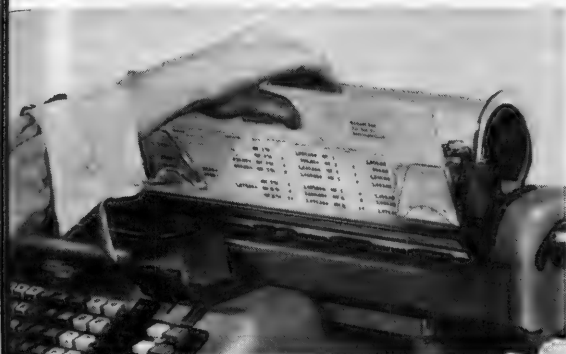
Operators like the Sensimatic because they can quickly learn to operate it professionally. The single-motion form handling, the uniform key

depression and simplified motor bar selection help make the job easier. And, because of operator preference, you benefit from lower operator turnover.

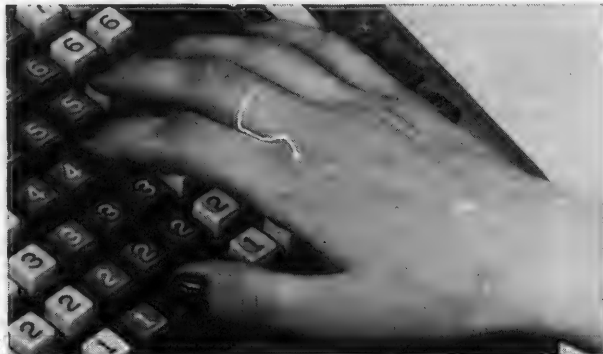


...We'll show you it's **FASTEST BY FAR...**

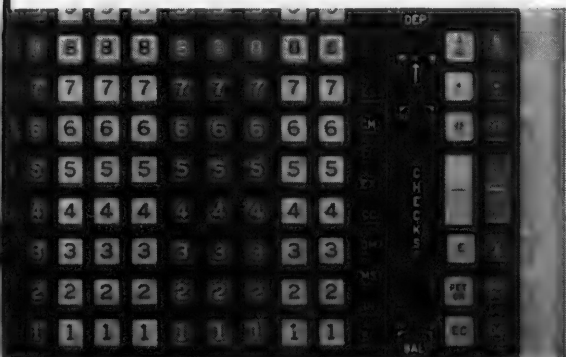
## THIS **SENSIMATIC** bank bookkeeping machine



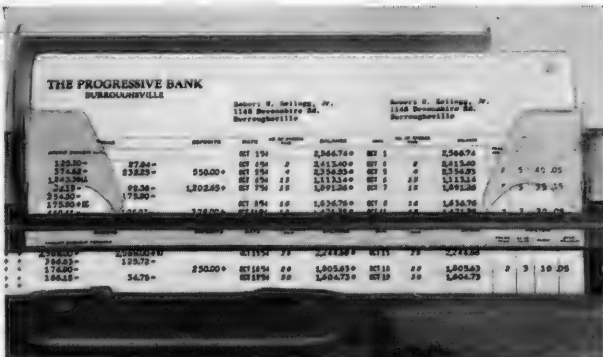
**1** **Faster form handling.** A smooth, easy one-hand motion brings the form into the open carriage, and positions it to the last line of posting—exactly aligned for the next operation.



**2** **Faster indexing.** The entire keyboard is designed for faster, more positive indexing—with scientifically improved slope and height, fingertip key fit, and swift, uniform key depression.



**3** **Faster motor bar selection.** The Sensimatic's unique construction assigns a single major function to each motor bar. Operator decisions are reduced and posting is simplified. Speed is increased, efficiency improved.



**4** **Faster, more automatic carriage movement.** Carriage opens automatically, closes at the touch of the motor bar, tabulates forward or return, and completes posting. New amounts are indexed as machine computes.

Automatic check count, automatic register totaling, date lock, list-posting tape, and activity counter are some of the other features of this money-saving Sensimatic. Then, too, because it's built on the Sensimatic principle (with interchangeable four-job panels that let you switch it from job to job at the turn of a knob) it's ideal for *any* bank, large or small. For complete information, call our nearest branch office. Or write to Burroughs Corporation, Detroit 32, Michigan.

WHEREVER THERE'S BANKING THERE'S



Burroughs and Sensimatic are trade-marks



(CONTINUED FROM PAGE 115)

The increase in the number of branches has continued at a faster rate during the past three years. Since 1951 the number of commercial bank branches has grown from 4,994 to 6,103. During the last three years about 70% of all branches established provided de novo banking facilities and the remainder were established by conversion of banks into branches. About three-fifths of the branches provided banking facilities outside the head office city of the parent bank; this is somewhat

lower, the staff reported, than in the period covered by its 1952 report.

Mergers, consolidation, and absorptions have continued the tendency toward concentration of banking through a reduction in the number of independent managements, it was observed. "This is still true but the rate of merger movement has increased during the past three years," stated the memorandum. On the other hand, the total of all deposits held by the 100 largest commercial banks was 45.9% in June 1954 against 46.1%, the proportion

held by the 100 largest banks in December 1952.

"Banking continues to be a mixture of big and small business," the Board's memorandum concluded.

### Shepardson Named to FR Board

In naming Charles N. Shepardson, Dean of Agriculture at Texas A & M college, to be a member of the Federal Reserve Board, President Eisenhower has continued his recent practice of naming men who had regional Federal Reserve background. Mr. Shepardson was chairman of the Board of the Houston branch of the Federal Reserve Bank at Dallas. He succeeds the late Paul E. Miller as the Board member representative of agriculture.

### Watch Mortgage Volume

There was a great deal of attention being given, especially under cover, to the large volume of mortgage loans coming to the FHA and VA for Government sponsorship. GI mortgage applications, for instance, in January topped 50,000 for the sixth straight month. Applications for mortgages on new construction under the principal FHA section, 203, amounted to 25,357 in January and appeared to be rising seasonally, together with a large number of applications for loans on used housing, for which credit terms were liberalized under the Housing Act of 1954.

Incidentally, housing officials seemed to be making pretty good  
(CONTINUED ON PAGE 120)

Louis S. Rothschild is the new Under Secretary of Commerce for Transportation. He was formerly chairman of the Federal Maritime Board and Administrator of the Maritime Administration



HARRIS & EWING

## COLOMBIA MEANS BUSINESS

LET US HELP YOU INCREASE YOURS

**O**PPORTUNITIES in Colombia for U. S. business are increasing every year. Trade connections are becoming more profitable. With an eye on your business future there, why not let us assist you with your collections and letters of credit?

For instance in making collections, we have an outstanding record of combining efficiency with tact, courtesy with results—a proven faculty for settling unpaid accounts quickly and retaining good-will.

As for letters of credit, consider the convenience of our 33 offices located in every important commercial centre in Colombia. This exceptional coverage is a great advantage too in furnishing current and comprehensive trade information.

In fact whatever your requirements, we have special departments handling every phase and facility of banking. More and more progressive U. S. banks and business firms are making use of our extensive organization established for over 42 years.

*We invite your inquiries.*

## BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices—Bancoquia

Capital paid-up	\$20,900,000 — Pesos Colombian.
Legal reserves	\$18,100,000 — Pesos Colombian.
Other reserves	\$12,050,000 — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (2), BOGOTA (5), Bucaramanga, Cali (2), Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Medellín (2), Montería, Nelva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (8).

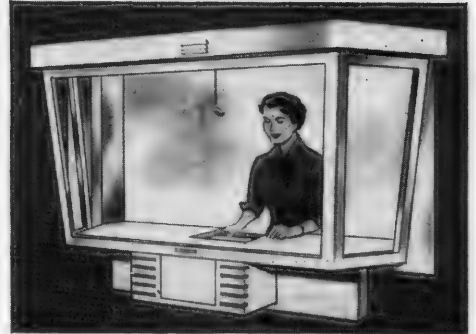
New York Representative—Henry Ludekè, 40 Exchange Place, New York 5, N. Y.



Every day...more and more  
people enjoy the convenience  
of **Diebold** drive-in  
banking equipment!

From "pint-sized" customers to the biggest depositors... they are coming on wheels. If "tomorrow" is your decision day on drive-in banking, consider these significant facts today... because today *more banks use Diebold Drive-In and Walk-Up Counters than all other makes combined.* The number of banks offering drive-in service more than doubled last year. An independent survey shows that not one bank offering drive-in service would consider going back to in-door banking only.

Back of Diebold superiority stands the world's most extensive experience in designing functionally perfect equipment and planning successful installations. Ask for the Diebold plan portfolio of successful drive-in facilities fitted into all types of space and structural situations.



Diebold Drive-Up Counters provide the finest motor banking facilities available. They are outstandingly attractive, inviting and secure. They were designed with special attention to details affecting daily operating and maintenance costs.

MANUFACTURERS OF THE WORLD'S FINEST BANK EQUIPMENT

**Diebold**<sup>®</sup>

INCORPORATED

915 Mulberry Road S.E. • Canton 2, Ohio



Diebold, Inc.  
915 Mulberry Road S.E.  
Canton 2, Ohio

Please send copy of your plan-portfolio showing different types of successful drive-up installations.

Bank \_\_\_\_\_

Individual \_\_\_\_\_ Title \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

6141-DI



# SWISS BANK CORPORATION

Head Office: BASLE, SWITZERLAND

Zurich · St. Gall · Geneva · Lausanne · Neuchâtel  
La Chaux-de-Fonds · Schaffhouse · Bienne

CAPITAL  
160,000,000 S. Fcs.



RESERVES  
75,000,000 S. Fcs.

*Statement of Condition, December 31, 1954*

ASSETS	Swiss Francs
Cash.....	306,738,143
Banks and Bankers.....	353,224,767
Bills Receivable.....	578,510,795
Short Advances.....	35,146,921
Advances to Customers, etc.....	1,117,906,714
Government and other Securities....	575,546,926
Other Assets.....	5,202,569
Bank Premises and other Property...	12,500,000
Total S. Fcs.	<u>2,984,776,835</u>

LIABILITIES	Swiss Francs
Share Capital.....	160,000,000
Reserves.....	68,000,000
Sight Deposits.....	1,955,392,446
Time Deposits.....	476,597,114
Fixed Deposits ("Obligations").....	206,286,500
Acceptances.....	44,107,659
Other Liabilities.....	50,066,873
Profit.....	24,326,243
Total S. Fcs.	<u>2,984,776,835</u>

## NEW YORK AGENCY

Main Office, 15 Nassau Street, New York 5, N. Y.  
49th Street Office, 10 W. 49th St., New York 20, N. Y.

## LONDON OFFICES

99, Gresham Street, E.C. 2, and 11c, Regent Street, S. W.1

(CONTINUED FROM PAGE 118)

progress in working down their backlogs of FHA and VA loan applications.

The basic dispute was as to whether volume is too large. In some quarters it was feared that volume was too far in excess of new family formation. Such views were said to be held by those close to the President's ear.

On the other hand, practically all housing and monetary officials appeared to be undisturbed by the volume. It was asserted that a great deal of the surge in FHA and VA applications was the consequence of the uncertainty and delay about terms while the Housing Act of 1954 and attendant regulations were under consideration.

It is the belief generally of housing officials that starts will hit around 1,400,000 units for calendar 1955. In November 1954 the official prediction was for a volume of 1,300,000 units. In other words, officials anticipate that later this year volume will fall off so that the total for the year will not hit the spectacular totals indicated by applying the seasonal adjustment to last winter's applications.

## VHMCP Races VA Directs

The first job assigned to the Voluntary Home Mortgage Credit Program was to place all possible applications for VA direct loans in institutional hands. VA may use currently up to \$37,500,000 per quarter of new money plus repayments of principal on direct loans, to make additional loans. The President proposed that \$100,000,000 for the year, or \$25,000,000 per quarter of new money, be authorized for fiscal 1956. These loans are supposed to be made only when and where VA-guaranteed loans are not available to veterans.

## Seeks to Get Government Out of Business

Some 100 trade associations have banded together behind a bill introduced by Chairman John McClellan (D., Ark.) of the Senate Government Operations Committee, to get the Federal Government out of business-type activities.

This bill would be aimed at minor businesses, primarily, such as paint and lumber and rope-making. When the proposition was considered by

(CONTINUED ON PAGE 122)

Scudder  
Stevens  
& Clark



*Prospectus on request:*

10 Post Office Square  
Boston 9, Massachusetts

One Wall Street  
New York 5, New York

117 South 17th Street  
Philadelphia 3, Pa.

Common Stock Fund, Inc.





## Night or Day

**we make the most of every minute  
you save by air mail!**

Your cash and collection letters never loiter when sent to the Continental Illinois Bank. When you use our A.M.F. (air mail field) labels or envelopes, your mail is brought direct from the airport to the bank by our messengers for immediate processing. Your items are handled without a minute's delay.

Our NIGHT operation may enable you

to clear checks a full day earlier and will insure the prompt presentation of collections. Our correspondent banks and corporation customers in all parts of the country use this service actively and to great advantage.

We will gladly send you, without charge, a supply of labels or envelopes so that you may try it.

## Continental Illinois National Bank and Trust Company of Chicago

La Salle, Jackson, Clark and Quincy Streets

LOCK BOX H, CHICAGO 90, ILLINOIS

*Member Federal Deposit Insurance Corporation*



**WHEN YOU WANT  
THE BEST  
and the MOST  
for your money**

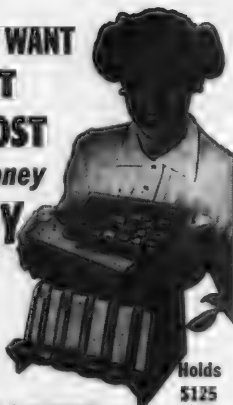
**SPECIFY  
THE  
ORIGINAL**



**MP JR. STREAMLINED**

**COIN CHANGER**

*"The Lowest Priced Modern Changer"*



Holds  
5125  
1c to 50c

**Exclusive Features:** Removable top tray & inside storage box.

There must be a reason why banks in 48 states insist on the MP JR. Metal Products Engineering has enjoyed a reputation of complete reliability for the past 15 years.

**FACTS PROVE** you are getting the most dependable changer available. Over 5000 MP JR's sold throughout the United States and not one penny spent for factory service.

**SIZE:** 8"x10"x6 1/4". Weight 9 lbs. Sturdy aluminum—gray hammertone finish. Parts and workmanship fully guaranteed.

ONLY  
**\$63**  
PLUS  
TAX

**Another Great MP Value  
NEW  
Combination**



**STAMP PAD AND PEN SET**

- Speeds Customer Service
- Simplifies Housekeeping

Extensively used by leading Western bank chains.

Sturdy aluminum, gray hammertone finish. For right or left hand use. Set includes locked-in #1 stamp pad and famous Paper-Mate Desk Pen.

\$10.95  
Complete

**METAL PRODUCTS ENGINEERING, INC.**

4000 Long Beach Ave., Los Angeles 58, Calif.

**do  
you  
need—**

dime and  
quarter savers,  
book-type,  
printed in  
various colors

**SAMPLES AND PRICES ON REQUEST**

**WILLIAM EXLINE INC.**

1270 ONTARIO STREET, CLEVELAND 13, OHIO

(CONTINUED FROM PAGE 120)

the Republican-controlled Congress in 1954, it became clear that any attempt to get the Government out of some of its big businesses like power generation or power distribution would arouse so much opposition as to threaten the bill.

### **Roads, School Programs Become Active**

Two of the earliest of the President's more far-reaching spending proposals to become active were the school building and highway building programs. Of the two, the roads program was given the best chance for some favorable action.

Significantly, opponents of the school program hardly complained of its peculiar financial aspects. They did, on the contrary, complain loudly about the proposed evasion of ordinary Federal financial practices for the roads program. The chief complaint against the school program was that it would neither provide any appreciable amount of Federal aid nor get building of schoolhouses started quickly.

While both "liberals" and conservatives criticized the indirect method of financing, the roads program is favored by observers to have

a good chance of passage, if not necessarily in the full amount requested by the President. Roads are an attractive objective of expenditure. Their attractiveness is increased by the strong Presidential backing.

### **Study Credit Insurance**

There are many abuses of credit insurance in connection with the making of small loans, by coercing lenders into buying such insurance from companies in which the lenders are financially interested, it was averred in a subcommittee report submitted to the new Congress. The subcommittee was a part of the Senate Judiciary Committee, and was headed in the last Congress by Senator William Langer (R., N. Dak.), who was then head of the full committee.

The subcommittee went into Kansas where, it was alleged, the state has inadequate laws to regulate such alleged tie-in transactions. It was noted that the subcommittee, throughout, discussed "loan companies" and "finance companies" in making its charges of coerced tie-in sales of credit insurance. The subcommittee omitted any allegations that commercial banks participated in such abuses. [END]

### **HAVE YOU SEEN . . .**

(1) The report of the Hoover Commission on lending agencies. Write to the Superintendent of Documents, Government Printing Office, Washington 25, D. C., and ask for the **Pro Forma Commission Report on Lending, Guaranteeing, and Insurance Activities of the Federal Government** of the Commission on Organization of the Executive Branch of the Government, and enclose 50 cents.

\* \* \*

(2) The task force report. Write to the Superintendent of Documents, Government Printing Office, Washington 25, D. C., and ask for the **Task Force Report on Lending, Guaranteeing, and Insurance Activities of the Federal Government** of the Commission on Organization of the Executive Branch of the Federal Government, and enclose 65 cents.

\* \* \*

(3) The Federal Budget in Brief, a graphically illustrated condensation into 52 pages, of the **Federal budget for the fiscal year 1956**. Single copies may be obtained for 35 cents, or in lots of 100 for \$26.25, by writing to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

\* \* \*

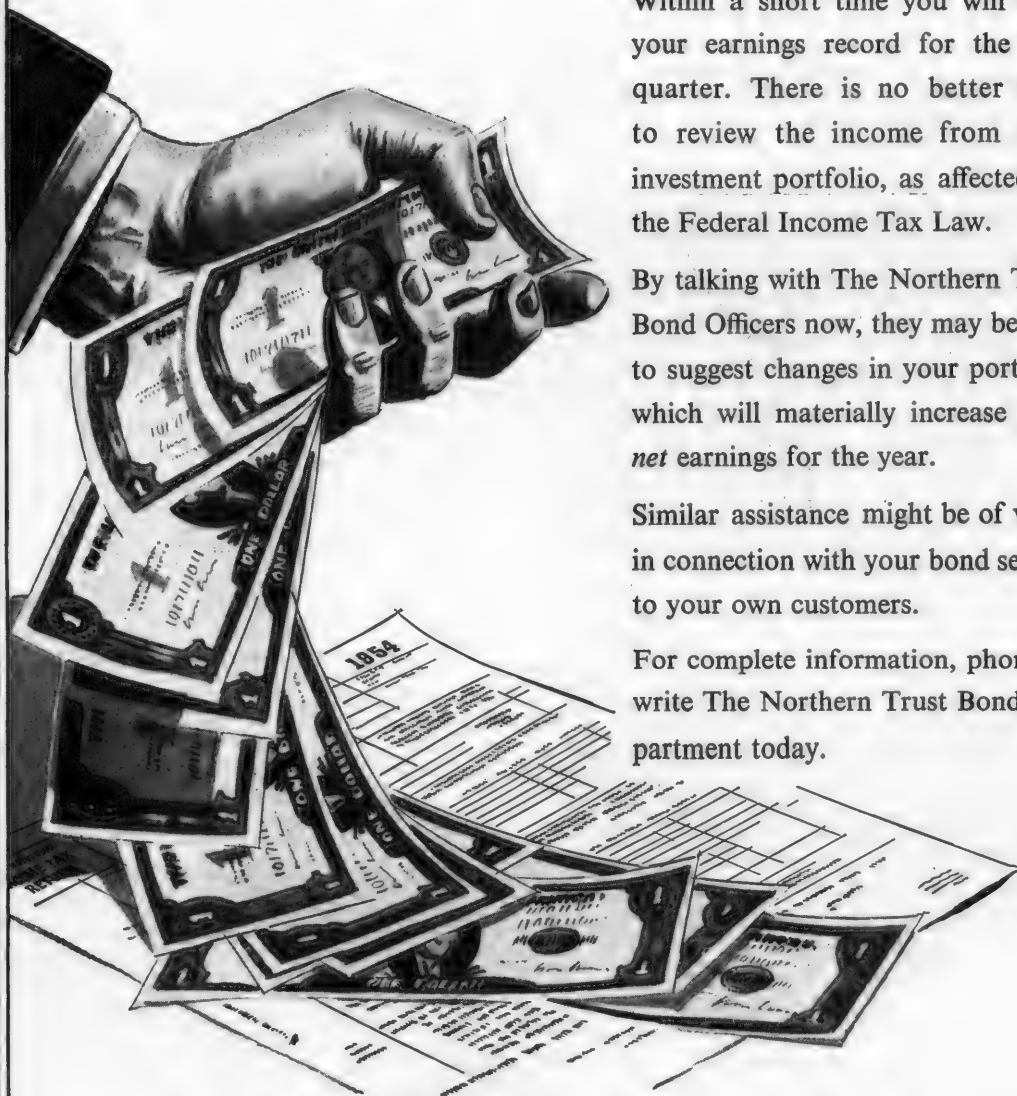
(4) An analysis of the components of farm income in calendar 1954, together with a month by month breakdown of sources of farm income by states. Send to the Agricultural Marketing Service, United States Department of Agriculture, for the **Farm Income Situation. FIS-151**.

\* \* \*

(5) **Federal Income Tax Tips for Small Timber Owner**, write to the Forest Service, United States Department of Agriculture, Washington 25, D. C.



*You can improve net earnings...  
in spite of high taxes*



Within a short time you will have your earnings record for the first quarter. There is no better time to review the income from your investment portfolio, as affected by the Federal Income Tax Law.

By talking with The Northern Trust Bond Officers now, they may be able to suggest changes in your portfolio which will materially increase your *net* earnings for the year.

Similar assistance might be of value in connection with your bond service to your own customers.

For complete information, phone or write The Northern Trust Bond Department today.

**THE  
NORTHERN TRUST  
COMPANY**

50 South La Salle Street, Chicago 90, Illinois

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

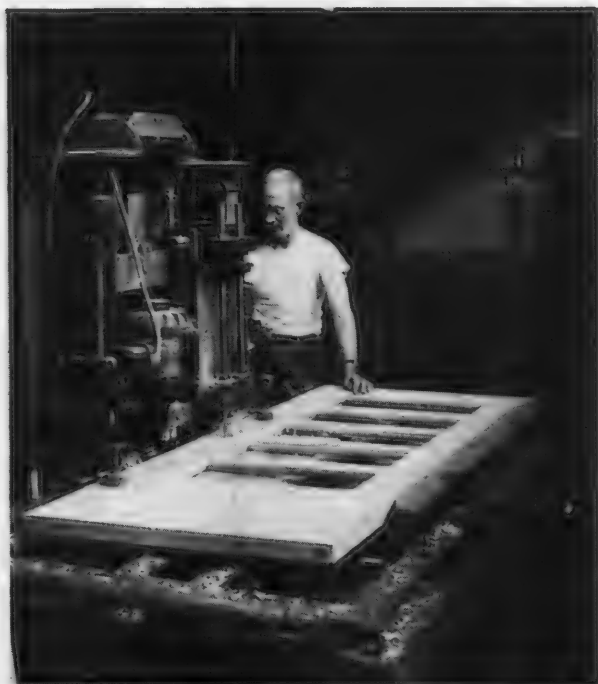


# PRECISION PRODUCTION

puts Greater Value into

# Every NATIONAL HOME

**NATIONAL HOME  
MORTGAGES ARE  
SOUND LONG-TERM  
INVESTMENTS**



*This remarkable machine drills and cuts all the holes and notches for a door's lock and hinges in 10 seconds—a job that formerly took 10 minutes!*

**ONE OUT OF EVERY 48 HOMES  
BEING BUILT IN AMERICA TODAY  
IS PRODUCED BY...**



© 1955, N. H. C.

Automatic machines cut costs by saving time in every phase of National Homes' production and assembly. Moreover these machines enhance quality because they guarantee precision in every structural part. Thus every National home buyer is assured of maximum value at minimum cost—a vital factor in making mortgages on National homes such sound, long-term investments.

**NATIONAL HOMES CORPORATION**  
Lafayette, Indiana



*The all-new National "Custom-Line" homes are outstanding in beauty, comfort and value. Prices of 1955 models range from about \$6,000 up to \$40,000.*



# A.B.A. Urges Preservation of States' Rights at Holding Company Hearing

**P**RESERVATION of states' rights in the consideration of holding company legislation was urged upon the House Banking and Currency Committee at its hearing on H.R. 2674 last month by George R. Boyles, president of the Merchants National Bank in Chicago, who testified as chairman of the Committee on Federal Legislation of the American Bankers Association.

Mr. Boyles proposed that the bill be amended to prohibit the acquisition of a bank in a state outside the state in which the holding company maintains its principal office unless the laws of the outside state "expressly permit such acquisition"; also to prohibit the acquisition of any additional bank within the state in which the holding company has its principal office if such acquisition is prohibited by state law. He called the complete freeze of a bank holding company outside of the state in which located, as provided in the bill, an invasion of the rights of the outside state. He said the bill should be modified so as not to deprive such outside state of the right to determine whether such an expansion is to be prohibited or permitted.

He also recommended that the bill be amended to provide for restricted conditions with respect to the removal of the principal office of a bank holding company to another state, in order to prevent the circumvention of the above provision.

In addition, he suggested that the period for disposal of nonbanking assets (divorcement) by holding companies be made five years instead of two years with extensions up to five years, as proposed in H.R. 2674, in order to permit more orderly liquidation of such assets.

## Amendments Suggested

Mr. Boyles recommended a number of amendments for improving and clarifying various provisions of the bill.

He questioned the propriety of the declaration of policy of the bill, part of which reads "generally to maintain competition among banks . . . and to minimize the danger inherent in the concentration of economic

power through centralized control of banks." "It is entirely unnecessary to refer in this bill to the maintenance of competition between banks," he declared, "for banking in the United States is and has always been fundamentally and overwhelmingly competitive. . . .


"If the present wording of the Declaration of Policy is allowed to remain unchanged," he added, "it would imply that the administering agency is given permission, if not a mandate, by Congress to exercise regulatory and punitive powers over and beyond those specifically stated in the bill. As a matter of fact, the entire Declaration of Policy could be omitted as it does not add or detract from the principal objectives as provided for in the bill and only tends to create ambiguity of meaning and confusion as to purpose."

## Matter of Definitions


Mr. Boyles approved the definition in the bill which defines any company owning, controlling, or holding with power to vote 25% or more of the voting shares of each of two or more banks as a bank holding company; but he criticized a second definition giving the Federal Reserve Board power to determine after notice and hearing that a company exercising a controlling influence over the management or policies of two or more banks is a bank holding company.

"The second definition," he said, "would give the Board of Governors broad discretionary powers, perhaps too extensive to be satisfactory from the standpoint of the banking system. The American Bankers Association has consistently favored the minimizing of discretionary authority in federal supervisory agencies," he noted. "The determination as to whether or not a holding company is a bank holding company should depend upon specific language of the bill," he added. "If such authority is to remain in the bill, suitable standards or norms should also be included which should be taken into consideration by the Board in arriving at a decision."

H.R. 2674 provides that the Fed-



Indoor or Outdoor Skeleton Dial Clocks.  
Style 7400 Shown



Three Face Illuminated Clock and Sign.  
Also made single face, double or four face, with or without chimes.



Revolving Clock and Thermometer with Signs.  
Clock made in round, square or octagonal cases.

**ELECTRIC TIME COMPANY, INC.**  
We will build clocks to your specifications ★ Write for bulletin on standard designs for banks

**ELECTRIC TIME COMPANY, INC.**  
Specialists in Clocks for Banks  
16 UNION STREET  
NATICK, MASS.

Read **BANKING'S**  
NEWSLETTER

do  
you  
need—

precision-made  
machine and  
hand posting  
passbooks

SAMPLES AND PRICES ON REQUEST

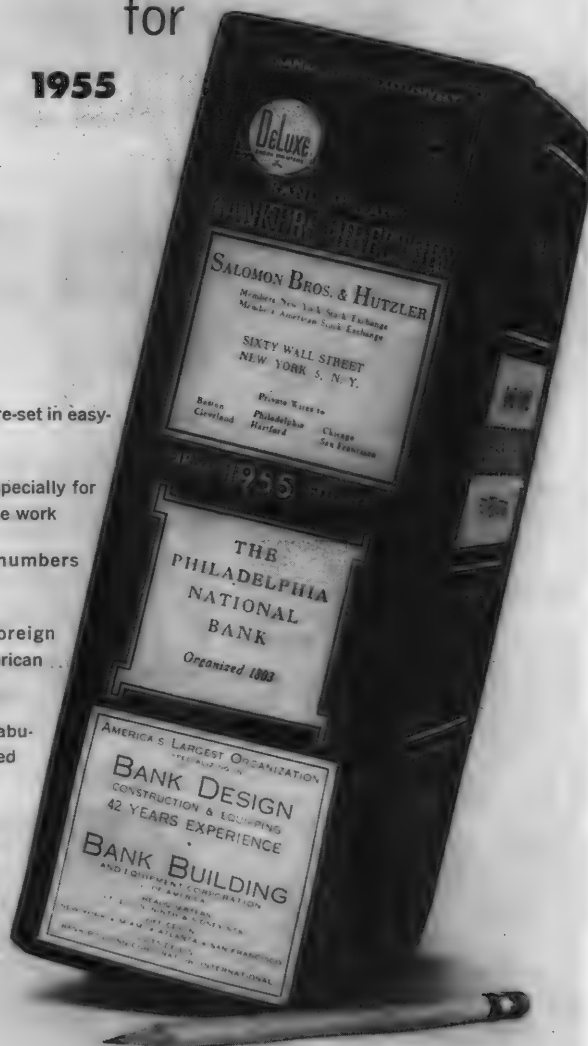
WILLIAM EXLINE INC.

1270 ONTARIO STREET, CLEVELAND 13, OHIO



The new  
redesigned  
Rand McNally  
**BANKERS DIRECTORY**  
for  
**1955**

- Completely re-set in easy-to-read type
- Designed especially for faster reference work
- Telephone numbers included
- Complete foreign as well as American listings
- Accurately tabulated & designed for easy comparison of statements



Published continuously since 1872

eral Reserve Board shall submit applications being considered to the Comptroller of the Currency when national banks are involved or to the state bank commissioner when state-chartered banks are involved and provides that an application shall not be granted if these agencies file a written disapproval.

Mr. Boyles suggested that the procedure could be improved by providing that the Federal Reserve Board should possess some authority for accelerating action on an application in an emergency situation. "The Board should," he said, "be permitted to approve an application if it believes that it is in the public interest to do so. While the provisions of H.R. 2674 defer to the individual states the determination of the degree of expansion to be permitted bank holding companies, the final decision on a specific application for expansion should lodge in one central authority without any power of veto by other supervisory authorities," he said. "The Board, as the administrative agency of the act, should appraise the findings and recommendations submitted to it by the other supervisory authorities and arrive at a fair decision, which decision would be final. This procedure not only respects states' rights but also permits the development of an equitable and uniform method of regulation. The Board should also have the right, even though the application should be approved by any supervisory authority, to disapprove such application if it believes it to be in the public interest to do so."

He also proposed that nothing in the act should prevent or require any specific approval of the acquisition by a holding company of additional shares in a bank in which it already owns or controls a majority of shares.

---

A woman's hat may be of small size, but the milliner's bill is one of large sighs.

*Will history eventually say that Mr. Churchill was better at writing history than righting it?*

Some of these merger experts might work on West and East Germany.



## DIRECTORS

**HENDON CHUBB**  
*Chubb & Son*

**ARTHUR M. ANDERSON**  
*Vice-Chairman of the Board*  
*J. P. Morgan & Co. Incorporated*

**CURTIS E. CALDER**  
*Chairman of the Executive Committee*  
*Electric Bond and Share Company*

**PERCY CHUBB 2ND**  
*Chubb & Son*

**CLINTON H. CRANE**  
*Chairman of the Board*  
*St. Joseph Lead Company*

**EMORY S. LAND**  
*Vice Admiral*  
*United States Navy (Retired)*

**LEWIS A. LAPHAM**  
*Executive Vice President*  
*Grace Line Inc.*

**NATHAN MOBLEY**  
*Chubb & Son*

**EDMOND J. MORAN**  
*President*  
*Moran Towing & Transportation*  
*Co., Inc.*

**ALEXANDER C. NAGLE**  
*President*  
*The First National Bank of the*  
*City of New York*

**J. RUSSELL PARSONS**  
*Chubb & Son*

**JUNIUS L. POWELL**  
*Chubb & Son*

**REEVE SCHLEY**  
*Chairman of the Board*  
*Howe Sound Company*

**CARROL M. SHANKS**  
*President*  
*The Prudential Insurance Company*  
*of America*

**HOWARD C. SHEPARD**  
*Chairman of the Board*  
*The National City Bank of New York*

**ARCHIE M. STEVENSON**  
*Bigham, Englar, Jones & Houston*

**LONDON K. THORNE**

**HAROLD T. WHITE**  
*White, Weld & Co.*

## *Fifty-Fourth Annual Statement*

CONSOLIDATED

December 31, 1954

### ASSETS

United States Government Bonds . . .	\$61,468,254
All Other Bonds . . . . .	18,834,379
Preferred and Guaranteed Stocks . . .	7,742,593
Common Stocks . . . . .	40,804,751
Cash . . . . .	13,298,523
Premiums not over 90 days due . . .	2,685,538
Other Assets . . . . .	3,515,447
<b>TOTAL ADMITTED ASSETS . . . . .</b>	<b>\$148,349,485</b>

### LIABILITIES AND SURPLUS TO POLICYHOLDERS

Unearned Premiums . . . . .	\$34,813,633
Outstanding Losses and Claims . . .	19,494,723
Dividend Payable . . . . .	675,000
Taxes and Expenses . . . . .	7,772,813
Funds held under Reinsurance Treaties .	3,835,259
Non-Admitted Reinsurance . . . . .	4,371,990
<b>TOTAL LIABILITIES . . . . .</b>	<b>\$70,963,418</b>
Capital Stock . . . . .	\$10,800,000
Surplus . . . . .	41,906,408
Unrealized Appreciation of Investments .	24,679,659
<b>SURPLUS TO POLICYHOLDERS . . . . .</b>	<b>\$77,386,067</b>
<b>TOTAL . . . . .</b>	<b>\$148,349,485</b>

Investments carried at \$6,383,252 are deposited with government authorities as required by law.

## FEDERAL INSURANCE COMPANY

including its wholly-owned subsidiary

## VIGILANT INSURANCE COMPANY



**CHUBB & SON, Managers**

Ocean and Inland Marine • Transportation • Fire and Automobile • Fidelity • Surety • Casualty  
Aviation Insurance through Associated Aviation Underwriters



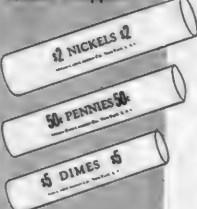
When you think about coins  
think about Abbott

#### BANK COIN PAYER

Pays 1¢ to \$1  
automatically.  
Right or left trap  
door or roll out  
cup delivery.  
Three year  
guarantee.  
\$230 plus tax.



Abbott flat  
tubular wrappers

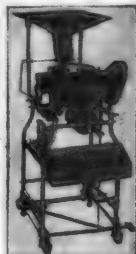


Abbott colored or  
brown kraft  
straps



#### COIN WRAPPERS

The colored flat  
tubular wrapper  
originated by  
us is today the  
quality standard  
of the banking  
industry. These  
easy-to-open  
heavy wrappers  
are available in  
nationally accepted  
colors.



#### FASTEST TOUGHEST

Abbott 7-G Coin  
Counter-Packager for  
extra heavy duty...  
saves hours of time.

#### RAPID COIN ASSORTER TABLE MODEL



Electrically operated—separates 1200  
mixed coins per minute. \$265 plus tax.

See your Abbott Catalog  
"Make Abbott a Habit"

# ABBOTT

COIN COUNTER COMPANY

Manufacturers for Banks since 1911

★

143rd to 144th Streets and Wales Ave.  
New York 54

## Mortgage Credit News

(CONTINUED FROM PAGE 93)

place set a new record for the month and was 12% above the previous February high of last year. The Secretaries of Labor and Commerce report that total outlays in February were at the annual rate of over \$40½-billion, compared with the \$37.2-billion spent in 1954.

## Savings Banking Theses

THE 1955 edition of *Present Day Banking* includes four theses by members of The Graduate School of Banking's Class of 1954 on savings and mortgage banking. This book, which has just been published by BANKING, is composed of 38 G.S.B. theses digests. Those on savings and mortgage banking are:

*Punched Card Accounting for Deposit Liability in Mutual Savings Banks*, by Leonard T. Ebert, senior assistant accountant, Philadelphia Savings Fund Society, Philadelphia.

*Personal Savings and Savings Banking*, by Raymond V. Weinmann, examiner, Federal Deposit Insurance Corporation, New York.

*Budgetary Control for Savings Banks*, by A. Everett Winne, assistant treasurer, Springfield (Mass.) Institution for Savings.

*A Modern Credit Tool—The Open-End Mortgage*, by John J. Freeswick, vice-president, County Bank and Trust Company, Passaic, N. J.

## Post-Korea GI Deadlines

POST-KOREA veteran benefit deadlines recently announced by the Veterans Administration are:

*Special Korean term insurance:* GIs must apply and pay first premiums within 20 days after being discharged.

*Deadlines under Korean GI training bill:* Veterans must begin courses within three years after discharge. Those separated from service on or before Jan. 31, 1955 may not train beyond Jan. 31, 1963, or eight years after discharge, whichever comes first. Those discharged after Jan. 31, 1955 have until Jan. 31, 1965, or eight years after discharge, whichever is first, to complete training.

*GI loans:* Deadline is Jan. 31, 1965.

Other deadlines for special bene-

fits for disabled veterans, such as vocational rehabilitation training, permanent plans of GI insurance, and grants for motor vehicles may be obtained from nearest VA office.

## Insurance Loan Charts

CHARTS setting forth the primary provisions for the insurance of loans authorized under the National Housing Act, as amended, and FHA administrative rules and regulations as of February 15, 1955, have been published by the FHA in a booklet entitled "Digest of Insurance Loans."

This digest (FHA 2575) is intended only as a guide. It may be obtained for a dime from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

## Bankers Consult With FHA

FOUR banker members of the Federal Housing Administration's Title I advisory committee recently attended a two-day meeting in Washington to examine the Government-backed home improvement loan program.

They were: D. Z. Albright, vice-president, Security-First National Bank of Los Angeles; Fred W. Heitmann, Jr., vice-president, Northwest National Bank of Chicago; R. T. Mayfield, vice-president, The First National Bank of Fort Worth; and J. Andrew Painter, vice-president, The National City Bank of New York.

## VA Transfers GI Home Loan Applications to VHMCP

APPLICATIONS from veterans for direct VA home loans are being referred to the Voluntary Home Mortgage Credit Program regional committees. The Veterans Administration is initiating this procedure to give World War II and post-Korea veterans living in remote areas and small communities the advantages of the GI loan placement facilities of the VHMCP.

Direct home and farmhouse loans will continue to be made by the VA, within the funds available, in cases where the VHMCP committees have been unsuccessful in their efforts to place loans with private lenders.

New procedure will enable more than 20,000 veterans on the waiting list to file direct loan applications.





*The Dance of the Dragon climaxes San Francisco's Chinese New Year celebration*

## *Get to know...* the bank that knows California

No red tape—no costly delays—when you use Bank of America's statewide system of 550 branches for direct routing of collection and remittance items. Cash letters may be sent directly to any one of the 330 California communities in which this bank is located and your account credited the same day they are received. This reduces

float. It also means rejected items, returned directly by the branch, reach you days ahead of items traveling through usual channels. To inquire about this unique correspondent service, write Corporation and Bank Relations Department, Bank of America, 300 Montgomery St., San Francisco or 650 South Spring St., Los Angeles.

**Bank of America**  
NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



# a **MUST** for every modern bank- the **All-New** edition of the



## Delbridge INTEREST TABLES

### Gives You Pre-Calculated Answers in SECONDS!

While basically the All New DELBRIDGE INTEREST TABLES retains the original system, as developed by Charles L. Delbridge in 1890, the 1955 Edition has been greatly expanded to provide for larger range of principal amounts, and is completely re-vamped to meet TODAY'S requirements.

Bankers who have used DELBRIDGE INTEREST TABLES for years, were astounded when reviewing the many new features, and its ultra modern format. For instance:

- ✓ Larger type with figure spacing to facilitate easier reading.
- ✓ New Sectional and Sub-Sectional Index Tabs arranged by interest rates instead of by individual days.

Contents have been arranged for quicker reference to the major sub-sections, namely — Elapsed Time Indicator, Maturity Date Indicator, Interest Calculations; Ordinary (360 days), and Exact Interest (365 days) — and with Conversion Tables, from Ordinary to Exact Interest. Yes, guaranteed accurate interest answers from \$1.00 to \$500,000, and at rates from 1/4% to 12%.

Sturdy loose leaf bound in simulated leather binders, 12 1/4 x 9 inches overall. Assembled to withstand constant daily reference for years!

### But, Decide for Yourself — Use It 10 Days

... that's the only way to determine its many outstanding and time saving advantages. Just send for a copy of the 1955 DELBRIDGE INTEREST TABLES, try it for 10 days and, if you think you can do without it — return it and you will not be obligated in any way. Write today — shipment will be made promptly.

## • Delbridge •

Calculating Systems, Inc.

2502 SUTTON AVE. ST. LOUIS 17, MO.

## We invite you to make A FREE TEST of this SCHERMACK POSTAGE STATION

Thousands of banks have made this FREE 30-DAY TEST and, invariably, have found such a surprising popularity and public acceptance of this service that they have retained and permanently installed their Schermack Postage Station as a worthwhile public relations feature. Shipped F.O.B. Detroit, your only obligation is the shipping charge. Write us today.



## SCHERMACK PRODUCTS CORPORATION

DEPT. BD, 1164 W. BALTIMORE AVE., DETROIT 2, MICH.

## News for Trustmen

(CONTINUED FROM PAGE 94)

### Establish Trust Library

THE executive committee of the Trust Division of the New York State Bankers Association is to establish a library for trust theses. Theses on trust subjects, prepared by New York State banker-students of The Graduate School of Banking, which have been accepted for library inclusion at Rutgers University, will be sought for the new library. It is planned to have the theses available on loan to all NYSBA Trust Division members.

### Stephenson's New Book

DRAFTING WILLS AND TRUST AGREEMENTS. By *Gilbert T. Stephenson*. Little, Brown & Company. 593 pp. \$11.50.

This book is divided into five parts: disposition of property; dispositive devices; applications of dispositive devices; dispositive safeguards; and dispositive plans. Throughout, there are many illustrative provisions, most of them taken directly from wills and trust agreements. In addition, the book provides 25 different plans for the disposition of the same property to the same beneficiaries; seven complete dispositive plans, each for a different estate; and an illustrative will.

### Plan Trust School

THE 1955 Trust Development School of the Illinois Bankers Association will be held August 7 to 26 in Abbott Hall, on Northwestern University's downtown campus. The school is restricted to 25 students, with preference given to Illinois applicants until May 16.

### Plan Trust Meeting

W. R. S. CURTIS, vice-chairman of the Committee on Trusts of the Virginia Bankers Association, has announced May 4 as the date of the association's annual one-day trust conference. Mr. Curtis is trust officer of the Petersburg Savings and American Trust Company. The conference will be held at the Hotel Jefferson in Richmond, and is exclusively for Virginia's trust officers.

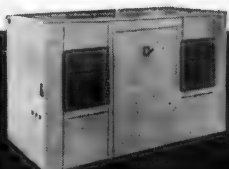


NOW Airtemp Air Conditioning means more business for

**BANKS**

# *Airtemp* gives banks a choice in Super-Quiet air conditioning

*waterless (air-cooled) if water is a problem  
water-cooled if desired*



5 H.P. waterless (air-cooled) Packaged Air Conditioner, one of 4 models.

5 H.P. water-cooled Packaged Air Conditioner, one of 6 models.



Banks benefit by air conditioning more than many other businesses. Working in cool, crisp air, your employees will be more efficient, with a resulting decrease in costly errors. Because people prefer to transact their business in a bank that is air conditioned for their comfort, you will have greater traffic all summer long. You'll save money because dust and dirt are shut out. You won't have to clean or redecorate nearly as often.

Airtemp air conditioning, both waterless (air-cooled) and water-cooled, is designed to operate quietly and efficiently for years. In fact, the refrigerating system of these air conditioners is warranted for 5 full years. This is only one of many reasons why we build more Packaged Air Conditioners than anyone else. We have a nation-wide factory-trained service organization ready to serve you if necessary. Phone your Airtemp dealer today—he's in the Yellow Pages—you'll get a better price before hot weather arrives. Or write Airtemp Division, Chrysler Corporation, Dayton 1, Ohio.

# Airtemp

DIVISION OF CHRYSLER

AIR CONDITIONING • HEATING FOR HOMES, BUSINESS, INDUSTRY



# Protected!

## INSURED ONLY 13 DAYS . . .

### LOUISVILLE, COLORADO . . .

When Mr. —, 61 years old, died after a very brief illness (3 days) he left an existing indebtedness of \$877.00 on a loan from the First State Bank of Louisville. His loan had been insured by Colorado Credit Life for only 13 days. Colorado Credit Life paid off the indebtedness and spared Mr. —'s family the burden of that debt. Colorado Credit Life also spared the bank the unpleasant and inconvenient duty of collecting from Mr. —'s bereaved family. A tragic situation was averted through the protection offered by Colorado Credit Life.

COLORADO CREDIT LIFE PAYS WHEN YOUR

BORROWERS CAN'T . . .  
PAYS IMMEDIATELY!



LEFT: Louis B. Miller (Right), President of the First State Bank of Louisville receives a check for \$877.00 from Jack O. Robinson (Center), Executive Vice President of the Colorado Insurance Group in payment of Mr. —'s debt. Gerald B. Curtis, Cashier, looks on.



We invite your questions and requests for information about our many forms of insurance protection. Wire or call collect to the Colorado Insurance Group Home Office in Boulder, Colorado.



CREDIT LIFE INSURANCE  
DEBT CANCELLATION  
FIRE INSURANCE  
AUTOMOBILE INSURANCE

COLORADO CREDIT LIFE  
COLORADO INSURANCE COMPANY  
COLORADO CREDIT LIFE UNDERWRITERS

## MAIN STREET

(CONTINUED FROM PAGE 31)

TRUST COMPANY, Philadelphia. This would give BROAD STREET TRUST 10 offices, eight in Philadelphia, one in Montgomery County, and one in Delaware County.

HOWARD G. MILLER has been elected president and member of the board of The Farmers Savings & Trust Company, Mansfield, Ohio. He succeeds the late PAUL M. ELIOT.

SEATTLE-FIRST NATIONAL BANK, Seattle, Wash., is soon to establish its 60th office.

C. J. JOINER has retired as president of the Barnett National Bank of Cocoa, Fla., having been with the bank since its founding 25 years ago. He is succeeded by GLENDON V. WEIR, formerly executive vice-president.

## Wm. Warmington

WILLIAM WARMINGTON, president of THE STATE BANK OF ESCANABA, Mich., died on March 11.

He was a past president of the Michigan Bankers Association, and at the time of his death was serving on its executive council. He was serving also in the American Bankers Association as a member of its Executive Council and Federal Legislative Council.

Art Treasure—In a recent list of the 10 greatest works of art in Philadelphia was the building of the Philadelphia Savings Fund Society, below. Built in 1932, it shares honors with such older works as Poussin's *Venus and Aphrodite* and Cezanne's *Bathers*



BANKING

## do you need—

imitation leather or plastic  
commercial passbooks and  
pocket check cases

SAMPLES AND PRICES ON REQUEST

**WILLIAM EXLINE INC.**

1270 ONTARIO STREET, CLEVELAND 13, OHIO

## HISTORICAL DOCUMENTS

Constitution, Bill of Rights, Declaration of Independence, Lincoln's Gettysburg Address, Washington's Oath of Allegiance, General Lee's letters, and others. Authentic reproductions produced on genuine parchment paper. Look and feel over 150 years old. Inexpensive, yet highly dignified promotional give-away incentives, announcing new services, opening new accounts, Christmas and school savings, etc. For samples and quantity prices please write: DAVIS STORE, Gosport Road and Main Street, Portsmouth, Virginia.

## Present Day Banking—1955

\$6 a copy in the U. S.  
Elsewhere \$6.50

## BANKING

12 East 36 Street  
New York 16, N. Y.



From General Electric's ANNUAL REPORT, out now:

# 5 Promising Progress Developments of 1954

## ATOMIC REACTORS FOR RESEARCH

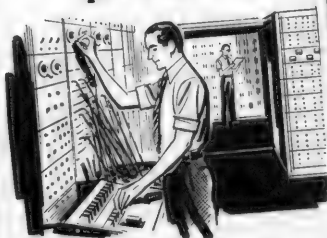
Peacetime use of the atom is closer. Small, low-powered reactors can now be supplied by General Electric, subject to applicable Atomic Energy Commission regulations, for educational, industrial and medical use. For this, and other news of atomic energy, see Page 11 of the Annual Report.

## New principles in jet engines



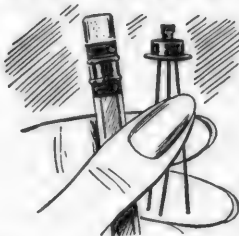
General Electric engineers have designed and built a more powerful, high-efficiency jet engine on an entirely new set of principles, resulting in outstanding 1954 jet-engine progress. You'll find a discussion of this and other products made by General Electric for our national defense on Page 16 of the Report.

## Computers, automation set new productivity pattern



General Electric is automating materials handling even for large "special order" equipment and is exploring new applications of computers. See Annual Report, Pages 8-9.

## Mass production of transistors

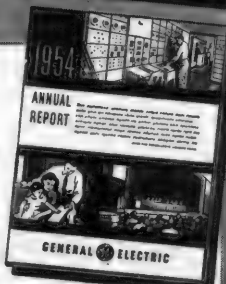


General Electric's Electronics Division is now applying new techniques for mass-producing transistors. This is one of the outstanding examples of progress in research and advanced development described in the Annual Report, Pages 7 to 10.

## Share owners reach 295,945

The number of General Electric share owners hit a new high in 1954. For a discussion of two big reasons behind the increase, see Page 2.

For  
your  
free  
copy



of the Annual Report with more details of General Electric progress and prospects, write Dept. 111-G1, Schenectady, N. Y. If you own General Electric shares held in the name of a broker—or in a nominee name of a bank or trust company—write to Dept. 111-T2, and we will mail you regularly all share owner publications.

*Progress Is Our Most Important Product*

**GENERAL  ELECTRIC**



## I OFFER COMPLETE NUMISMATIC SERVICE

**OLD COINS  
RARE COINS  
GOLD COINS**

*Bought—Sold—Appraised*

**UNITED STATES, FOREIGN, AND  
ANCIENT COINS PURCHASED.**

I will buy any quantity of this material, from coins worth a small premium over face or their intrinsic value to the greatest rarities. Gold coins of Numismatic value especially desired. No coin or collection too small to receive prompt, courteous consideration; no collection too large to be purchased for cash.

### Expert Appraisal Service

No charge for office appraisals.

**For Sale** One of the world's largest and most complete stocks of Coins, Tokens, Medals, and Paper Money to select from. Many items from famous collections in this country as well as Europe. Correspondence invited.

**JAMES KELLY**

Third & Broadway, DAYTON, OHIO

Reference:—Dun & Bradstreet  
Winters National Bank, Dayton, Ohio

## Electronics

(CONTINUED FROM PAGE 41)

ticular skills over a period of years, will have to learn new ones. Some will be considerably upset by having their status quo disturbed. It is up to management to explain to every worker what is happening at every stage of the process, reassure him about his job, and make the training and indoctrination program as palatable and as comprehensible as possible.

One of the A.B.A.'s chief concerns, in the proposal which it has submitted to equipment manufacturers, is to take care of the smaller banks. It is not necessary for a bank to convert all accounting and paper work to automatic processing. The lower-cost, special-purpose machine—designed to handle but a single application—may be the logical answer for a smaller institution.

Small banks should also consider the Service Bureaus which can accommodate a *group* of users who are unable to support their own equipment installations.

A bank contemplating the introduction of new equipment need not feel that it must change completely all its existing procedures in one fell swoop. The application can be con-

fined to one aspect of operations at a time—such as depositors' accounting, mortgage, or payroll. Parts of electronic machines can even be introduced into existing equipment.

Any bank officer or methods man worth his salt must find out where electronics is going to fit into his operations. You may not be planning to buy a machine tomorrow, but you'd better begin to learn, to study your procedures, and get ready for it.

Uniformity will be required in the mechanized operations of the bank of tomorrow. New electronic equipment will be put to the best use in those organizations which have developed the control and application of *present day equipment* to the highest degree.

Cost factors are recognized in the statement that banking in general may find it necessary to accept temporarily a lesser degree of automation than will be acceptable in time, but eventual design principles should be integrated into the development of all temporary expedients, with the temporary units assuming a permanent function, either as a supplement to eventual processes, or as a definite improvement over present facilities where volume is not great enough to require more complex equipment.

Jeweled lights on a rotating globe in a new Park Avenue office of The National City Bank of New York depict the bank's 57 branches in 19 foreign countries. Inspecting the 5½ foot installation are, *l. to r.*, Executive Vice-president J. Howard Laeri, Newscaster John K. M. McCaffery, and Board Chairman Howard C. Sheperd





**HOW MANY  
and  
HOW WELL!**

**FIRST NATIONAL  
BANK of ARIZONA**  
(*Oldest National Bank  
in the State*)

Has the confidence  
and friendship of  
**ARIZONA'S BUSINESS!**

**FIRST NATIONAL  
BANK of ARIZONA**  
HEAD OFFICE: PHOENIX, ARIZONA  
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**WHY PASS UP EXTRA COMMISSIONS?**  
Leading passbook manufacturer now has  
several territories open for aggressive  
men calling on banks to sell all types of  
passbooks and pocket check books. Com-  
mission basis.

**WILLIAM EXLINE INC.**  
ONTARIO BLDG. • CLEVELAND 13, OHIO





**CROSS COUNTY BRANCH OFFICE**, located in the very center of Westchester's famed Cross County Shopping Center, is as modern in design as the National System it relies upon.



**THESE SIXTEEN** National Class 32 Bookkeeping Machines provide audit control and effect profit-making economies.



**HERE ARE SOME OF THE 17** National Teller Machines which are so satisfactory that 16 more are ordered.

**"Our 100% *National* System  
saves us \$50,000 annually...  
pays for itself every 3 years!"**

— First National Bank In Yonkers, Yonkers, N. Y.



**Mr. Sheldon L. Pollock,**  
Chairman of the Board.

"We have used National machines since 1940," writes Mr. Pollock, Chairman of the Board. "About 4 years ago, we completed the largest part of our replacement program with 16 new National Class 32 Bookkeeping Machines. We now use National equipment exclusively. Our faith in their durability and simplified operation has been justified.

"We also use 4 National Proof Machines, 15 Window Posting Savings Machines, 17 Bank Teller Machines, 26 National Adding Machines, and a Mul-

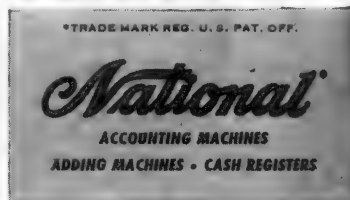
ti-ple-Duty-Typewriting-Bookkeeping Machine to handle internal records. Sixteen more National Bank Teller Machines are scheduled for our Branch Offices soon. All these are Nationals, providing strong audit control and effecting gratifying economies.

"We are very proud of our newest Branch Office in the Cross County Shopping Center, at present the world's largest shopping center. It was of extreme importance to our management to provide the best possible service at the Center. That's why we are using National equipment in this new office.

"Our 100% National System saves us \$50,000 annually in reduced operating costs, an annual return of 33% on our investment. The system pays for itself

every 3 years through better utilization of personnel, simplified operator training, maintenance and depreciation reductions, and elimination of overtime payments."

Whether your bank is large or small, you, too, can gain the many time- and money-saving advantages a National System provides. For the complete story on what Nationals can do for your bank, call your nearby National representative, a trained systems analyst. His number is in the yellow pages of your phone book.



**THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO**  
949 OFFICES IN 94 COUNTRIES





## After midnight at Manufacturers Trust

This is the way our Central Clearance Department looks at 20 minutes past midnight any working day—or, rather, any working night.

By operating "around the clock" and all day Saturdays, we save up to a full day in handling the many thousands of checks which are sent to us daily by our more than 2,250 correspondent banks all over the United States.

This may be one reason why more banks now are correspondents of Manufacturers Trust than ever before.

### **Manufacturers Trust Company**

**Head Office: 55 Broad Street, New York 15, N. Y.**

*Member Federal Deposit Insurance Corporation*



## Lending to Credit Unions

(CONTINUED FROM PAGE 58)

at this price will help the credit union very little after expenses and provision for required reserves.

### Bonding

The lending officer should determine whether the treasurer and his staff are properly bonded for faithful performance. Bonding the treasurer and his employees in the proper amounts is the responsibility of the directors of the credit union. Certain minimum schedules of surety coverage in relation to the assets of the credit union are suggested by the supervisory agency having jurisdiction.

A conservative credit union will have more than the bare minimum of coverage required, and the limits of bond coverage carried by a fast growing credit union should be reviewed several times a year. Coverage should include all possible hazards, and Blanket Bond Form 576, sold through the CUNA Bonding Service, affords the broadest and best coverage for credit unions.

"So you're trying to place my face, eh? Maybe this will help: 'Listen, you mutthead, what do you mean by bringing my daughter home at 1 o'clock in the morning? Now, if I ever catch you around here again I'll . . .'"



## American Credit Insurance

AND

### *The Case of the Multitudinous Claims*

THIS is an instance of the flexibility of American Credit Insurance in meeting business situations. Whatever the scope or size of your own business, the general principle applies. The policyholder, a manufacturer doing a gross business of just under 35 million dollars, had found himself moving increasingly into an area of multitudinous small accounts, with correspondingly greater lag in collections. Further expansion seemed to threaten an intensification of this situation. What to do? Stop selling? Continue—and accept the tying up of working capital in small bundles? Neither was necessary. Through conferences with an American Credit representative, riders were added to the policy, increasing coverage of small accounts. At the same time, machinery was set up to expedite filing of claims on past due collection items. The first year of expanded activities under this plan showed the following results . . .

Vindicating the policyholder's appreciation of his situation, almost nine hundred separate accounts were filed for collection—aggregating a little less than 600 thousand dollars. Of these, almost two thirds were paid within the free service period of the policy, and the greater part of the remaining one third were paid before final settlement under the Policy. Only a very small percentage of the total original claims proved to be defined insolvencies—on this score vindicating the judgment of the policyholder's Credit Manager. Finally, a loss payment of \$43,151.97 was made to this policyholder, proving the fairly substantial need that actually existed for protection of these accounts receivable.

Whether your business is large or small—whether you do business with many concerns or with a few—you will find new assurance in the knowledge that your accounts receivable are at least as well protected by insurance as your plant, your inventory, and your goods in transit. For your copy of a new booklet: "Credit Insurance, Its History and Functions," write Department 45, First National Bank Building, Baltimore 2, Maryland.

## American Credit Indemnity Company

of New York



# Tools to Meet Savings Competition

**A** VIGOROUS advertising effort at the local level is necessary if banks are to maintain their present high proportion of the savings business, according to the Savings and Mortgage Division of the American Bankers Association. Accordingly, the Division is urging A.B.A. member banks to step up their local savings advertising, with particular emphasis on the advantages of banks as a place to save.

To assist the banks in their savings advertising, the A.B.A.'s Advertising Department is offering a variety of direct advertising materials, window and lobby displays, and newspaper mats for use by both individual banks and such groups as clearing houses. The Association recently sent to all member banks a folder describing the material it has available to aid banks in matching the advertising of their savings competitors. The A.B.A.'s Advertising Department stresses that since the competitive picture for savings is different in each community, what with variations in laws and facilities across the country, local adver-

This attractive folder is typical of the A.B.A. advertising and promotion material available to sell the savings and mortgage services offered by banks



tising is the most effective in bringing in the savings customer.

## Importance of Advertising

Accompanying the folder was a letter from Joseph R. Jones, president of the A.B.A.'s Savings and Mortgage Division, and vice-president of the Security-First National Bank of Los Angeles, noting the importance of advertising in building savings deposits. "According to the consumer studies made by the A.B.A.," he said, "advertising and promotion rank second as a factor influencing the inflow of savings funds. Location and convenience are in first place, and rate of interest in third place."

The folder lists 10 separate series of mats available to banks for advertising in their local newspapers—a total of 145 individual ads. Two of the series (a total of 12 ads) stress the advantages of saving in a bank rather than another type of institution, while the others are devoted to reasons for saving, objectives savings can be used for in the future, and the like. In format, the ads use either line drawings or cartoons, but all feature large illustrations and small amount of copy.

## Direct Mail Advertising

The direct advertising pieces offered include folders, booklets, and blotters for enclosure with bank statements and other outgoing mail. They also stress the value of systematic saving and the advantages a bank offers the savings customer.

At the recent A.B.A. Savings and Mortgage Conference in New York, bankers were shown a new set of two advertisements on the advan-

tages of a bank to the saver. One, using the headline, "There are lots of good places for your savings—but . . ." stresses that banks are the most popular institutions in which to save, and gives reasons why. The other, with the headline, "Why Mr. Worldlywise deposits his savings in the bank," lists six advantages offered by a bank.

These ads are each available in two sizes of mats—3 columns by 9 inches for individual bank use and 5 columns by 15 inches, especially designed for clearing houses and other groups of banks.

All of the material from the A.B.A. is imprinted with the name of the bank or the group using it.

This is one of the new A.B.A. thrift ads mentioned above. This month's BANKING cover picture is the second advertisement in this two-ad series

The A.B.A.'s newest savings folder—released late last month



TO BANK MY SAVINGS  
EVERY PAYDAY AT

BANK NAME GOES HERE

The prices for this folder, including printing of your bank's name and address are:

100 copies, \$12.00 1000 copies, \$21.00  
2500 copies, \$48.00 5000 copies, \$57.00

For 10,000 copies, \$132.75

For 25,000 copies, \$265.75

For 50,000 copies, \$531.75

Copyright 1955, American Bankers Association—35-10

**WHY MR. WORLDLYWISE DEPOSITS HIS SAVINGS IN THE BANK**

<p>"Like everyone else, I need money to live on. I can't do so for an emergency or 'someday'."</p>	<p>"I don't want to leave that money lying around the house. I want to put it to work for me every night and day."</p>	<p>"I'm not ready to make an investment, but I would like the security of a bank account where I'm putting my money."</p>
<p>"As an extra safeguard I want these funds to be insured for the Federal Deposit Insurance Corporation at no extra cost to me."</p>	<p>"And I want to know that where I deposit my money I can take it out for a cash or 'one dollar' withdrawal any time I want."</p>	<p>"And on, because only a bank account will give me all of these benefits. I'm getting part of every dollar every day that I put in."</p>

**THERE IS NO SUBSTITUTE FOR MONEY IN THE BANK**

As a depositor of ours, your money is safeguarded by sound management, carefully protected by bank regulations and examinations, insured by the Federal Deposit Insurance Corporation up to \$10,000 for each depositor.

Many you have access to a wide variety of banking services—all maintained under one roof for your convenience. We carefully advise you to save time and steps in doing all your banking business here with us.

Plans of Your Bank, Banking Group, or Clearing House Association



## School Savings Banking

(CONTINUED FROM PAGE 84)

"In the District Attorney's office, and later in the Court, I have met and observed many children whom you would properly call 'delinquent.' Whether the delinquent's tragedy was parental in origin or environmental, or both, it is safe for me to say that the habit—the conscious and deliberate habit of thrift—would have been an imposing barrier to the downfall of the delinquents I observed.

"What can bankers and educators do to discourage the disintegration of the young? They can work harmoniously, cohesively together, to stimulate and propagandize the simple virtue of thrift in young people. They can—and should—double and quadruple their efforts to encourage the practical application of that virtue in the form of the school savings bank.

"It is, I think undeniable that the formative years of childhood are the foundation on which personal character is built. If the prop is weak, unstable, undisciplined, the young person will mature slowly, if at all. Conversely, if childhood is built on vigor; on discipline; and on the common everyday virtues of simplicity, honesty, and integrity, the man will be a full man."

### School Savings Objectives

Dr. Loser, in his presentation, took up the objectives of the school savings program from an educational point of view, pointing out that in order for the program to be successful it must be cooperative in three ways. First, the banks must cooperate by providing the inspiration and guidance needed in the formulation and operation of a program and they also must supply the required materials; the school principal must cooperate with his teachers by showing them the important vehicle school savings can be in the cultivation of the thrift habit and the building of sound moral qualities; and that teachers must cooperate by teaching the children the rewards of thrift and by enlisting the wholehearted cooperation of parents.

Continuing, he said that educational authorities should provide teachers with a device to develop:

(1) Good teamwork habits.



## He's too aloof!

He could *never* be a Fifth Third Bank man. Our men and women are downright friendly and personable, while being just as devoted to service as the sentry above. That's what makes relationships with our Correspondent Banks so pleasant. No matter what kind of banking problems you have, you'll get quick and efficient service from Fifth Third.

*You are cordially invited  
to use the facilities of . . .*

**the FIFTH THIRD UNION TRUST co.**

CINCINNATI, OHIO

member

FEDERAL RESERVE SYSTEM  
FEDERAL DEPOSIT INSURANCE CORP.



**CANADA'S FIRST BANK**  
COAST TO COAST

**BANK OF MONTREAL**

New York--64 Wall Street San Francisco--333 California Street  
Chicago: Special Representative's Office, 141 West Jackson Blvd.



625 BRANCHES ACROSS CANADA • RESOURCES EXCEED \$2,500,000,000



## IN THE SADDLE AGAIN

Our "Free Fifty" program once again is going great guns. It is astonishing how many times during the past fifteen years this selling technique has been "rediscovered." Right now it is as hot as a two-dollar pistol.

All there is to it is that you, as the banker, write a letter to your customers asking them if they would like fifty personalized checks with your compliments, with the understanding that if they wish to continue using them they may purchase two hundred for \$1.40. About 35% of those addressed will accept the free offer, and of this group about 65% will continue to reorder.

This program is not designed to give things away but rather to reduce the bank's check expense, make check processing somewhat easier in

the bookkeeping department, and at the same time provide the customer with a nice-looking check bearing his name and address. The bank pays us 60 cents for each order of fifty checks—which includes postage for direct mailing to the customer—and in a matter of eighteen months the total outlay of money should be recovered.

We, of course, supply the advertising enclosures and render whatever assistance is necessary to launch the program. Thousands of banks have tried it. Most of them like it. It pays off in lower costs and satisfied customers. Ultimately it emphasizes the significance of the statement that "The checks you sell cost you nothing." We will be happy to give you the details.



Manufacturing Plants at: CLIFTON, PAOLI, CLEVELAND,  
INDIANAPOLIS, CHICAGO, KANSAS CITY, ST. PAUL



### Australia's Continuing Development

## Industrial..Commercial and Financial Information

Designed to provide factual information for businessmen this new booklet is now available on request.

111 pages packed with carefully selected facts, graphs, maps, and illustrations, describe the Australian scene, the people, primary and manufacturing industry, power resources, trade, transport and communications, private and public finance, and the social pattern.



## A. N. Z. BANK

AUSTRALIA AND NEW ZEALAND  
BANK LIMITED

Overseas Department:

394 COLLINS STREET, MELBOURNE

Over 800 Branches and Agencies throughout Australia and New Zealand, in Fiji, New Guinea and Papua, and in London. Agents throughout the world.

(2) Mathematical accuracy in checking.

(3) Language arts through discussion and written reports.

(4) Social studies through visits to banks, a study of money through the ages, and effects upon the community of establishment of savings habits by individuals.

(5) Good parental-school and community relations.

### Developing Thrift Habits

In representing the banking viewpoint, Miss Martin said that "almost everywhere today school savings—or The School Bank—is recognized to be an educational process having for its first aim or purpose the inculcating, fostering, and developing of habits of thrift and of the proper attitudes toward the saving and spending of money. Properly understood and administered, it should stimulate the industry and effort through which, even at a very early age, a child can acquire earning power; more importantly, it should encourage the small but significant sacrifices and self-denials from which a great deal more than savings accounts and money in the bank results.

"Such results, particularly now when a prevailing wave of juvenile misbehaviors is so often traced to economic instability, cannot be—and should not be—lightly evaluated, nor should they be discounted when analyzing the cost of school savings versus its benefits to the bank, to the individual, and to the community.

"When these and similar results are given their true evaluation, it is difficult to understand why any school anywhere should fail to include school savings in its program. It is more difficult to understand why any bank, whose entire existence depends upon the confidence of the people, should omit from its provision for the future a service so deeply grounded in confidence."

Miss Martin said that of the 223 schools in Philadelphia, 175 have school savings programs with her bank, The Philadelphia Saving Fund Society, and 40 have programs with the Western Saving Fund Society.

To keep pace with the continued growth of the school savings activity, Miss Trichler reported that her Committee is making constant efforts to provide information to banks  
(CONTINUED ON PAGE 142)



# spotlight

ON A FAST-GROWING REGION



## FINANCIAL STATEMENT AS OF DEC. 31, 1954

<i>Assets</i>	PER CENT	AMOUNT
U.S. Government Securities . . . . .	8.68	\$ 9,526,530.33
State, County and Municipal Bonds . . . . .	11.29	12,390,331.86
Railroad Bonds . . . . .	1.28	1,402,741.28
Public Utility Bonds . . . . .	19.64	21,563,417.90
Industrial and Miscellaneous Bonds . . . . .	4.52	4,961,789.14
Stocks . . . . .	2.80	3,071,115.00
Mortgages (First Liens) . . . . .	42.49	46,641,602.80
Real Estate:		
Offices (Including Branches) . . . . .	2.98	3,271,509.20
Investment . . . . .	1.41	1,542,311.11
Policy Loans . . . . .	.98	1,081,614.83
Cash . . . . .	1.45	1,593,851.68
Interest and Rents Due and Accrued . . . . .	.56	618,919.62
Premiums in Course of Collection (Net) . . . . .	1.92	2,103,194.60
Miscellaneous Assets . . . . .	.00	2,676.00
<i>Total Assets</i> . . . . .	100.00	\$109,771,605.35
<i>Liabilities &amp; Surplus</i>		
Policy Reserves . . . . .		\$ 85,165,460.88
Claims in Process of Settlement . . . . .		349,550.83
Reserve for Unreported Claims . . . . .		208,434.47
Premiums and Interest Paid in Advance . . . . .		1,006,453.36
Estimated Amount Due and Accrued for Taxes . . . . .		908,372.28
Reserve for Pension Plan . . . . .		6,812,117.15
Agents' Bonds: Reserve and Interest . . . . .		542,622.50
Security Valuation Reserve . . . . .		580,309.93
Miscellaneous Liabilities . . . . .		755,528.09
<i>Total Liabilities Except Capital</i> . . . . .		\$ 96,328,849.49
Capital . . . . .		\$ 7,000,000.00
Unassigned Surplus Funds . . . . .		6,442,755.86
<i>Capital and Surplus</i> . . . . .		\$ 13,442,755.86
<i>Total</i> . . . . .		\$109,771,605.35

Across the nation headlines tell of the swift and steady economic growth throughout the South. To keep pace with the life insurance needs of this rapidly growing area, Life Insurance Company of Georgia is constantly expanding the scope of its insurance plans and of its service to policyholders.

## HIGHLIGHTS

Life Insurance in Force . . . . .	\$1,140,434,544
Gain of \$79,744,977 in one year	
Assets . . . . .	\$ 109,771,605
Increase of \$15,566,393 over 1953	
Paid Policyholders & beneficiaries \$	11,050,384
Liabilities . . . . .	\$ 96,328,849
Liabilities include policy reserves	
Surplus Funds and Capital . . . . .	\$ 13,442,756



➔ MORE THAN A BILLION DOLLARS OF LIFE INSURANCE IN FORCE





## for high quality metal Bank Counter Equipment



Watson Blonde Walnut grained finish metal counter  
front . . . Union Bank Westside Office, Erie, Pa.

## Standard or Custom Built


by the makers of fine metal furniture

**WATSON MANUFACTURING CO., Inc.**

Jamestown, New York

Write Dept. H-11  
for full information.

WATSON (established in 1887) also builds a complete  
line of standard filing equipment and  
ROL-DEX working-level-files for your active bank records.



**UNITED FRUIT  
COMPANY**

**223rd  
Consecutive  
Quarterly Dividend**

A dividend of seventy-five cents per share on the capital stock of this Company has been declared payable April 15, 1955, to stockholders of record March 11, 1955.

EMERY N. LEONARD  
Secretary and Treasurer  
Boston, Mass., February 14, 1955

## FREE BOOKLET ON SPEED READING

now available to executives: "How To Ease Your Business Reading Burden." No obligation. No salesman will call. Write today to: Foundation for Better Reading, Dept. 1074, 20 W. Jackson Blvd., Chicago 4, Illinois.

Directors who read  
**BANKING**  
are better able to direct!

(CONTINUED FROM PAGE 140)

sponsoring school banking as well as those who may be contemplating initiating a program. Association publications designed for this purpose mentioned by the chairman include *The School Bank*, issued twice a year, and *The School Saver*. She also reported that *School Savings Banking*, a guide for banks considering a school savings program, is being completely revised.

The School Savings Forum was concluded at a dinner meeting in the Grand Ballroom of the Statler Hotel. Honored guests at this session included Homer J. Livingston, president of the American Bankers Association and president, The First National Bank of Chicago; Joseph R. Jones, president, Savings and Mortgage Division and vice-president, Security-First National Bank of Los Angeles; Merle E. Selecman, executive manager of the A.B.A.; the forum panel members, and other prominent bankers and educators.

### Thrift Education Rewards

Dr. Lawrence G. Derthick, Superintendent of Schools, Chattanooga, Tenn., spoke on "The Rewards of Thrift Education."

During his discourse, Dr. Derthick said that "We must engage our joint creative efforts in inventing and providing useful job opportunities for our youth that they may learn to work as they grow up and that they may earn to save in this same process. This country must be alerted to the danger of rising generations who have so little opportunity to learn to work by working. . . ."

One of the main attractions of the National School Savings Forum was a room in which eight school savings banking exhibits were set up. One of the most active school banking programs is being conducted by the savings banks of Sweden and in Japan the Minister of Finance has developed an active program in the schools. Samples of the promotion and operating materials from both countries were of much interest to the bankers.

Six U. S. banks having displays at the forum were: Middletown Savings Bank, Middletown, Conn.; First National Bank of Nevada, Reno; Asbury Park and Ocean Grove Bank, Asbury Park, N. J.; The Bowery Savings Bank, New York; Savings Bank of Utica, Utica, N. Y.; and Seattle-First National Bank, Seattle.

MARY B. LEACH



# Getting the Most from Forum Publicity

(CONTINUED FROM PAGE 55)

## A Smaller Community

Operating in a much smaller community, The National Bank and Trust Company of Norwich, New York, got the full cooperation of the local press and radio for its 4-session forum for women. This bank made sure it didn't stomp its public relations toe by excluding any one. A general invitation was sent to more than 6,000 checking account customers and the bank issued a blanket invitation through newspaper advertising. Vice-president George E. Raymond reports that "we were pleased to find that practically all the customers came whom we would have wanted had we attempted a selective list method. We were fearful that such a list would be regarded as economic discrimination. As it was, the bank developed a tremendous amount of goodwill from the general public. It was the best thing we ever did from a public relations standpoint."

A special invitation was sent to the bank's trust mailing list, however, by President Otis A. Thompson. In addition, all officers of the bank were given invitations and tickets and were encouraged to extend personal invitations to the women with whom they dealt.

On the day that the National

Bank and Trust announced its 4-session forum series in a 2-column newspaper advertisement, *The Norwich Sun* carried an approving editorial. The very next day the *Sun* ran a story to the effect that the Norwich Chamber of Commerce had enthusiastically endorsed the bank's forum. Four days before each of the sessions, the bank ran a sizable ad in the *Sun*, featuring speakers, subjects, meeting place (Norwich High School Auditorium), and, of course, gave the address of the bank's main office and of its several branches.

**Ladies**

The First Lecture of the  
**WOMEN'S FINANCE FORUM**

Sponsored by  
The National Bank and Trust Company of Norwich  
WILL BE HELD NEXT

**Monday, October 11**  
AT 8 P. M. IN THE

**Norwich High School Auditorium**

**The Topic: "BANKING"**

A Convention of the National Banking Association is being held for the first time  
An Evening of Good and Useful Information

The Speaker:  
**MISS ANNE HOUSTON  
SADLER**

Assistant Treasurer, Bank of the Manhattan Company  
Past, Former President, Association  
of Bank Women

**THE NATIONAL BANK AND  
TRUST COMPANY OF  
NORWICH**

Norwich, N. Y.  
Barnbridge, N. Y.  
Earlville, N. Y.  
New Berlin, N. Y.  
Shenandoah, N. Y.

**Ladies**

The Second Lecture of the  
**WOMEN'S FINANCE FORUM**

Sponsored by  
The National Bank and Trust Company of Norwich  
WILL BE HELD NEXT

**Monday, October 18**  
AT 8 P. M. IN THE

**Norwich High School Auditorium**

**The Topic: "Wills, Trusts and Taxes"**

A Convention of the National Banking Association is being held for the first time  
An Evening of Good and Useful Information

The Speaker:  
**Mrs. Nancy B. Staub**

Assistant Vice President, Merchants Trust  
Company, Manhattan, New York  
Former Editor, The Norwich Journal

**THE NATIONAL BANK AND  
TRUST COMPANY OF  
NORWICH**

Norwich, N. Y.  
Barnbridge, N. Y.  
Earlville, N. Y.  
New Berlin, N. Y.  
Shenandoah, N. Y.

Lengthy news stories in the *Sun* on the day of each session included a picture of the speaker. A shorter follow-up story appeared after each session.

In addition to the ads and news coverage on the forum in the *Sun*, the local radio station made a few spot announcements and the outlying community newspapers cooperated wholeheartedly with news stories.

## Home Work for the Women

Making the most of the opportunities offered by the forum, the National Bank and Trust also gave the more than 700 women attending the forum some home work. It distributed several booklets designed to supplement the oral lectures, including these A.B.A. publications: "Trust Services for You"; "Bank Services for You"; and "The Woman and Her Bank." Among the other free publications distributed were: "Exchange"; "Feminine Focus on Life Insurance"; and a bibliography of books on banking, wills and estates, life insurance, and investments available in the Norwich Public Library.

## Avoiding a Stampede

The demand for tickets to the finance forums of two pioneering banks in this field—the First National Bank of Minneapolis and the First Wisconsin National Bank of Milwaukee—is so insistent that these

(CONTINUED ON PAGE 145)

## FIRST NATIONAL BANK OF MINNEAPOLIS

announces the **SEVENTH Women's Forum**

OCTOBER 11 THROUGH  
NOVEMBER 8, 1954



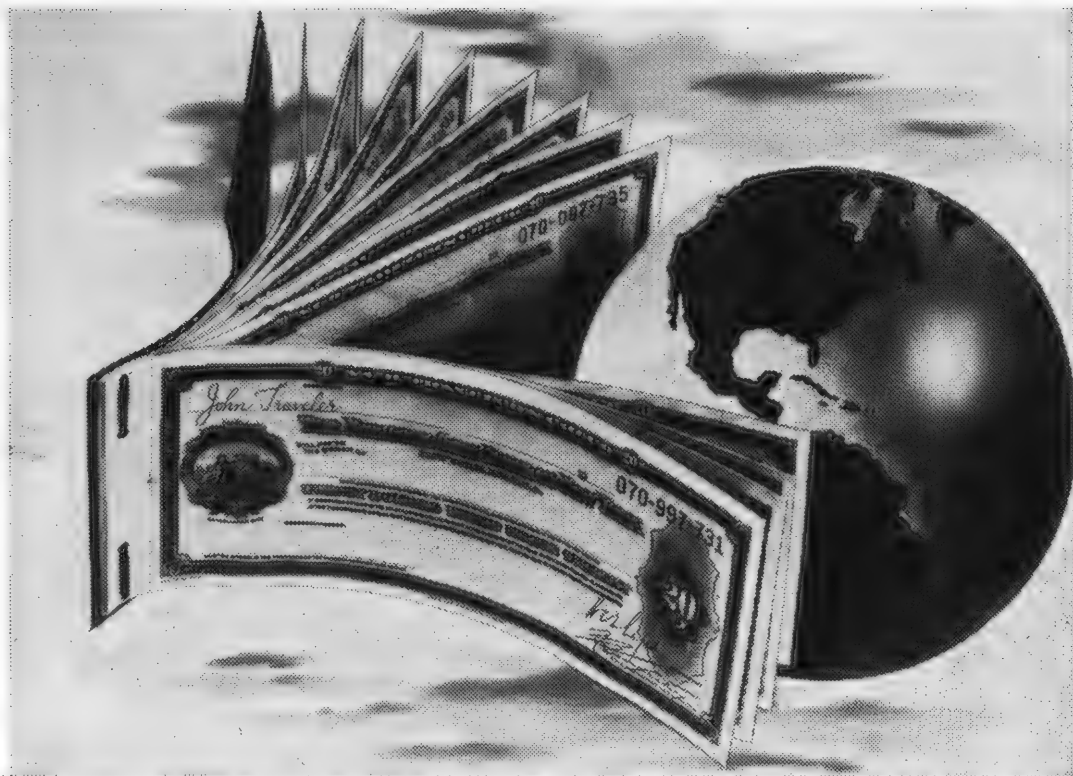
We are pleased to announce  
**FIRST NATIONAL BANK'S**

**Sixth**

**Men's Finance Forum**







## **A World-Wide Check Book** **for your customers' Travel Funds** **NCB TRAVELERS CHECKS**

Just as you protect your customer's financial interests at home, you can protect his travel funds the world around, by selling him National City Bank Travelers Checks. They are just like a world-wide check book, backed by the bank that is first in world-wide banking. They are good any time, anywhere—and are spendable exactly like cash. But they haven't the risks of cash—if lost, destroyed or stolen, their value is refunded promptly.

You will earn the gratitude of your customers—and higher profits for yourself—when you sell National City Bank Travelers Checks. The whole selling commission is yours. You keep it all— $\frac{3}{4}$  of 1%. Write for complete details.

THE **NATIONAL CITY BANK**  
OF NEW YORK

*First in World-Wide Banking*

55 Wall Street, New York 15, N. Y.

Member Federal Deposit Insurance Corporation



(CONTINUED FROM PAGE 143)

banks have been forced to limit their publicity to avoid a stampede. The First National of Minneapolis held its first women's forum in 1949 and altogether has held a total of 13 forums—seven for women and six for men.

Assistant Vice-president King Bennethum reports that beginning with First National's second women's forum in 1950 and second men's forum in 1951 "we have always had a waiting list. Consequently our first notice goes to that group in the form of a personal letter with a program enclosed. Shortly thereafter all of our checking account customers receive an announcement in the form of a statement insert."

Continuing, Mr. Bennethum said that "while on occasion in the past we have mentioned a coming forum on our radio program, for our current men's forum we did not do so; however, we did mention it on our TV program about 10 days before the opening meeting. About two weeks prior to the opening of a new series, we run an ad in the morning and evening editions of our local papers.

"In the case of our women's forum in the fall, the ad was simply an announcement of the series and not an invitation to enroll, inasmuch as we had already reached capacity proportions. A current ad for our men's forum did invite enrolments and produced a substantial number."

*At the concluding session of its women's financial forum, The National City Bank of Cleveland asked the women to fill out a questionnaire which would indicate their preference of topics to be repeated at another forum. Two hundred and four questionnaires were returned. The vote on the subjects covered during the forum was: Economics, 113; Investments, 153; Life Insurance, 63; and Estate Planning, Wills, and Trusts, 146.*

*Under the question, "Are there any other subjects you would like discussed at future forums?" the vote was: Functions of the Bank—Services and Facilities, 84; Real Estate or Home Ownership, 105; Family Budgets, 64; Estate Planning (further discussion), 128; and Loans and Financing, 56.*

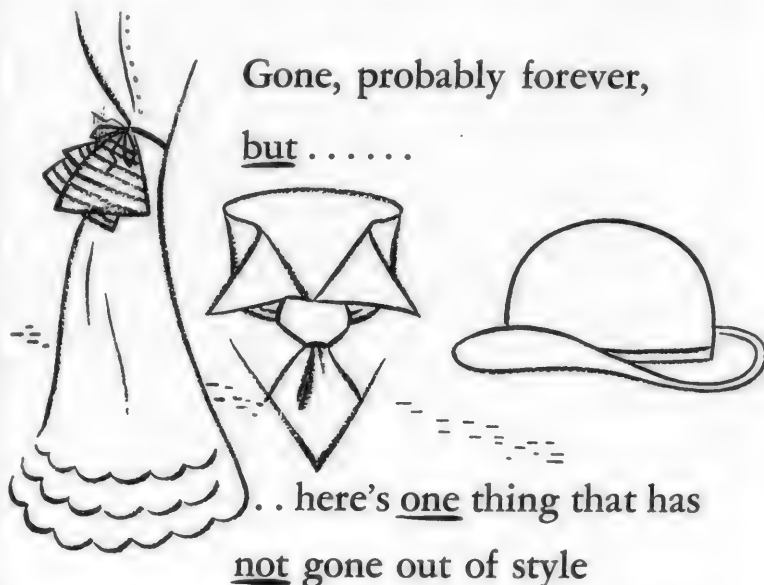
Since the First National Bank of Minneapolis held its first finance forum for women in 1949, some 300 banks have held similar forums. A series of two articles in the December and January issues of *BANKING* includes suggestions on how banks can team up with their women's clubs and thus build for themselves invaluable goodwill, while giving the women in their communities education on the economic and banking facts of life. Since the conclusion of this series, the Public Relations Council of the American Bankers

Association has introduced a new publication—*The Family Dollar*—published quarterly and designed for distribution at finance forums and in other ways.

*A dollar doesn't go as far as it used to, but it's just as hard to get back.*

*Many a nation now plays a loan hand.*

*A budget is a system for worrying at regular intervals.*



Gone, probably forever,

but . . . . .

.. here's one thing that has

not gone out of style

Courtesy . . . plain, friendly courtesy! That's just about the only old-fashioned thing you'll find in most banks today—and it accounts, in large measure, for the very pleasant relationships which bankers enjoy with their customers, their correspondent banks, and even their competitors.

Experience and "know-how," of course, are the first essentials of an effective correspondent relationship . . . . but courtesy is the cement that binds it and makes it enduring.

Whatever your correspondent needs, please feel free to call on us. We welcome any opportunity to demonstrate that, in Memphis, it's to your advantage to . .

*think first of*



**The First National Bank**

**of Memphis**

**Memphis, Tennessee**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



*for Field Warehousing*



*specify*  
**LAWRENCE**  
*and Be Sure!*

LOAN OFFICERS everywhere consider a Lawrence Field Warehouse Receipt as much a synonym for "security" as a Certified Check. They know that \$1,000,000 in legal liability and fidelity bonds—in each of more than 2500 Lawrence Field Warehouse locations—are back of every Lawrence receipt.

And these bank officers *like* the way Lawrence does business. The Lawrence IBM Commodity Collateral Report, for example, is electronically compiled to keep loan officers always informed on current inventory values. It also reduces the cost of servicing loans.

*Specify Lawrence—and be SURE!*

LAWRENCE ON WAREHOUSE RECEIPTS



... IS LIKE CERTIFIED ON CHECKS

**LAWRENCE WAREHOUSE COMPANY**

NATIONWIDE FIELD WAREHOUSING

37 Drumm Street, San Francisco, California  
100 N. La Salle St., Chicago 2, Ill. • 79 Wall Street, New York 5, N. Y.

OFFICES IN PRINCIPAL CITIES



# Price Says U.S. Protects Labor, Not Industry

A DIFFERENT slant on the foreign trade question has been pressed before the House Ways and Means Committee and the Senate Finance Committee, in connection with the President's trade program.

Mr. Eisenhower is seeking authority to lower tariffs after the Reciprocal Trade Agreements Act is extended. The Administration contends that, unless the United States imports more, it will be necessary to provide more direct aid from the U. S. Treasury to foreign countries.

Gwilym A. Price, president of Westinghouse Electric Corporation, however, saw a different problem. America has been aiding with finance, free technical aid, and engineering the improvement of the productivity of foreign industry. As this productivity increases, the difference between lower foreign wages and higher American wages makes for a real factor in competition with foreigners not only in the U. S. but in world markets.

Labor in effect is "protected" in this country by the favor given to union organization and by the restrictions on immigration. Consequently, wages have risen sharply in this country and the benefits of productivity go to labor, Mr. Price pointed out.

"Foreign wages," he said, "have not kept pace with that increase in productivity. Here, on the other hand, every improvement in productivity has been matched by increased wages."

The electrical industry, which has a great deal of "tailor-made" equip-

ment, where wages constitute 50% of the total cost, "cannot on a price basis compete on certain products with foreign manufacturers who pay their workers only one-tenth to one-third of the American wage rate. This is notably true on such heavy electrical equipment as transformers, switchgear, circuit breakers, motors, control apparatus, turbines, and generators."

To maintain the high American living standard, Mr. Price pointed out, Congress since 1919 has been limiting immigration.

"If the United States had not established this limitation on foreign labor, and if the Federal and state governments had not created the healthiest climate in the world for labor, we never could have reached our high living standard. —>



IN JACKSONVILLE  
FLORIDA

... where the population of the metropolitan area has grown 675 per cent in the last half-century. We have been serving our State and Community for 78 years.

THE BARNETT  
NATIONAL BANK  
of Jacksonville

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



"I spelled them exactly like you pronounced them!"

*Personalized Correspondent  
Bank Service*

SINCE 1890

**Citizens National  
Bank**

TRUST & SAVINGS

OF LOS ANGELES

Head Office:  
5th & Spring Sts.  
Los Angeles

Member  
Federal Deposit  
Insurance Corp.



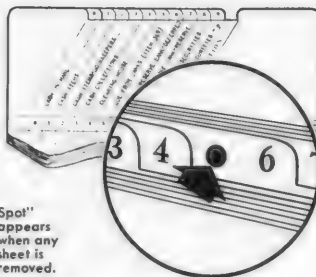
# 3

## ACCOUNTING FORM FEATURES THAT WILL MAKE YOUR FORMS MORE USEFUL and MORE ... PROFITABLE!

1

### SPEEDEX

Speedex is a visible tab cut index designation applied to the form itself. Ideal for General Ledgers, Installment Loan Ledgers, etc. Speedex lends itself to all types of indexing—numerical, alphabetical, terminal digit, commodity, code, subject or classification.



2

### X-RAY SORT

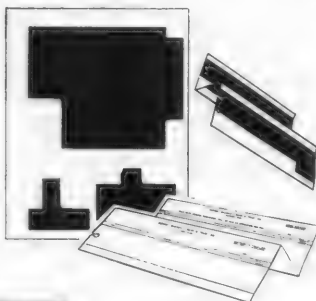
The X-Ray Sort Feature is provided on forms which are to be grouped into various classifications, or individually sorted alphabetically or numerically. The form can be marginally punched on any or all sides, with printed designations for each hole. Proper holes are punched open to permit needle sorting.



3

### WAX CARBON SPOT

Wax Carbon Spots of every size and shape can be used... and hard or soft carbon in heavy or light coatings are available to assure a legible impression on all of the multiple copies. These hot wax carbon spots may be placed anywhere on the sheet so only the information desired will pick up on the various copies. The messy, timetaking, insertion and removal of carbon sheets is entirely eliminated.



WRITE FOR SAMPLE PACKET "A"

## LOAN-A-MATIC

For maximum efficiency in your loan department. Simultaneous scheduling of ledger and coupons reduce 7 operations to 1. Loan-A-Matic speeds customer service, reduces operating costs and eliminates transcription errors. Provides custom-made coupon books, faster sorting of coupons and identical records for you and your customers. Descriptive literature available.

REPRESENTATIVES  
IN MOST PRINCIPAL CITIES



"Otherwise every time our standard of living forged ahead of foreign living standards, a new wave of immigrants would have been attracted," he said.

Mr. Price contended that it was not necessary to lessen the American market for American-made products to promote more world trade. American technical aid is increasing productivity throughout the free world. Westinghouse itself is training foreign engineers, offering financial help, and even licensing foreign manufacturers to use its products, with 89 assistance and licensing agreements in 23 countries.

"We cannot compete with licensees making our products unless factors other than price are concerned. They can undersell us by 25% to 40% in their own countries and in the world markets," he said, with their cheaper labor.

"Europe," stated Mr. Price, "is back on its feet. Its present economic position provides no further justification for our economic help through tariffs or otherwise."

Furthermore, he asserted, it is fallacious to say that still lower tariffs in the U. S. will lead to liberalization of trade throughout the free world. There has so far been no compensatory liberalization of foreign trade for U. S. aid and lower tariffs.

Finally, the Westinghouse president protested the contention that by purchasing cheaper foreign power equipment, the United States saves money.

"In many cases, the Federal Government lost more in tax income by not awarding a contract to an American manufacturer than it gained by buying at a lower price from a foreign manufacturer," he said.

LAWRENCE STAFFORD



"A bill collector? Give him that big pile on the table!"





## The day-night deposit safe that almost "talks"

Only Mosler has it . . . the "talking light" that flickers a reassuring all safe signal to the depositor when the money bag reaches the Mosler Safe below.

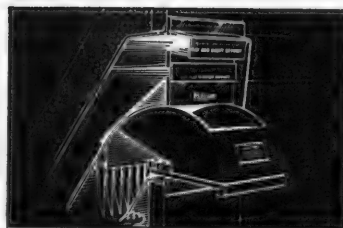
TWO MONTHS AGO, we made a quiet reference to this feature, when we announced the new Century-Style Mosler Day and Night Deposit Safe.

Quite naturally, we *stressed* the fact that here, at last, was a unit (designed by Henry Dreyfuss) to harmonize with the modern styling of the newest, most modern banking offices.

We stressed, also, how perfectly this unit fits in with the progressive banker's idea of super-service . . . how it literally extends your banking hours around the clock . . . extends your lobby to the sidewalk.

Frankly, the response to the styling, and to *every* feature of this new Mosler unit, has been far beyond anything we dared predict. But what we underestimated *most* was the enthusiastic reception for the "talking light" feature to which we'd made only that quiet reference. Bankers tell us the reassurance this gives to the bag depositor is enough, by itself, to justify installation of this new Mosler unit.

Have you written for our new, full-color catalog with complete details? If not, hand this to your secretary, now. Ask her to mail the coupon, today.



**Phantom view** of new Mosler Day-Night Deposit Safe shows how welded steel chutes carry deposits to receiving safe inside bank. Envelope deposits go through slot at top. Bag deposits go through locked hopper below. Note special saw-toothed baffle fingers, designed to prevent extraction of deposits from outside.

IF IT'S MOSLER . . . IT'S SAFE

*The* **Mosler Safe** Company  
Since 1848

World's largest builders of safes and bank vaults . . . Mosler built the U. S. Gold Storage Vaults at Fort Knox and the famous bank vaults that withstood the Atomic Bomb at Hiroshima

The Mosler Safe Company, Dept. B-4  
320 Fifth Avenue, New York 1, N. Y.

Please send me your new, full-color catalog giving full details about the new Century-Style Day and Night Deposit Safe by Mosler.

NAME . . . . . POSITION . . . . .

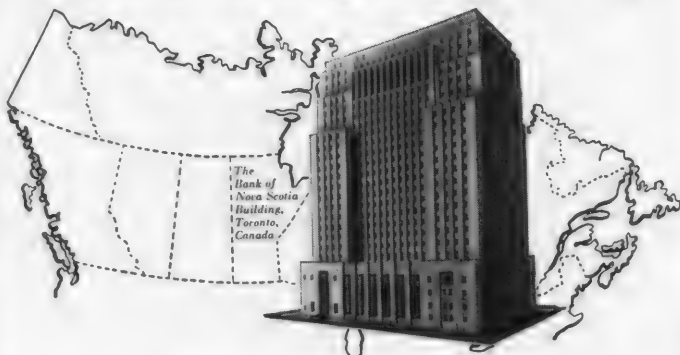
BANK NAME . . . . .

ADDRESS . . . . .

CITY . . . . . ZONE . . . . . STATE . . . . .



## Canada offers you opportunity



**and here is the international bank  
to help you  
and your customers**

**T**HE fastest growing nation in the world offers rich rewards to those who seek them. Whether your clients are interested in mining, oil, gas, manufacture or trade, The Bank of Nova Scotia can help them.

With more than 400 branches in Canada, Great Britain, the U.S.A., and the West Indies, and with correspondents wherever men trade, The Bank of Nova Scotia is equipped to give you and your clients authoritative information and expert guidance on your banking and financial problems.



• A Partner in Canada's Growth

General Offices: 44 King St. West, Toronto.  
New York Office: 37 Wall St.  
London Office: 108 Old Broad St.  
In Jamaica:

Kingston and 16 other branches.

And correspondents all over the world.

In Cuba: Havana and 6 other branches.  
In Puerto Rico:

San Juan, Pajardo and Santurce.

In Dominican Republic: Ciudad Trujillo.

In Trinidad: Port of Spain.

## Government Bonds

(CONTINUED FROM PAGE 61)

waiting watchfully for something to happen which would require their intervention but has seen nothing so far which requires any action on their part, especially as there has been no sign of anything like "disorderly" conditions in the market.

### Treasury Cash Position Holds Up

At the end of February the balance in the general fund of the Treasury was just over \$5.4-billion. For the month, "deposits" had exceeded "withdrawals" by about \$800,000,000.

During March, deposits will be increased by the heavy corporate tax payments. Final individual tax payments will not be made until April 15.

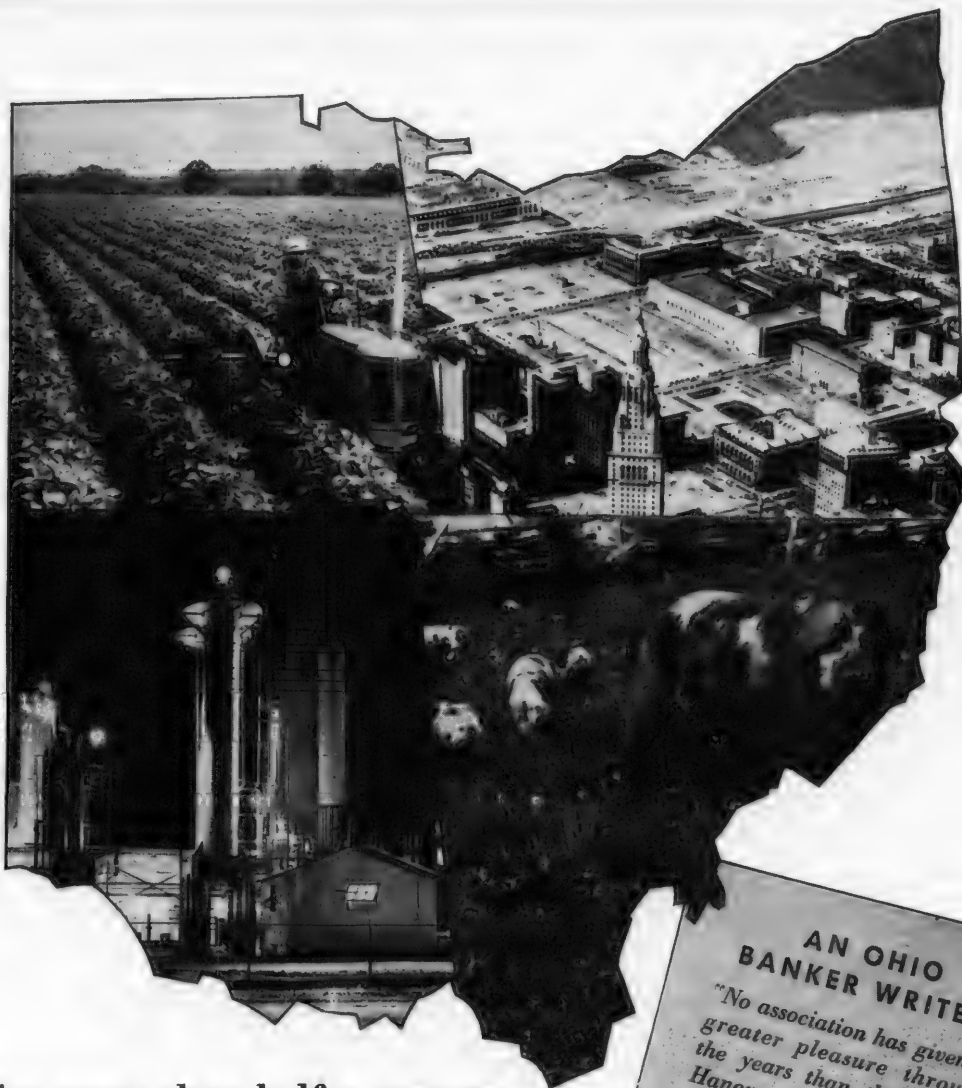
On March 22 about \$3.7-billion TA certificates mature, but the larger part will have been used on March 15 in lieu of cash to pay taxes. Nearly \$900,000,000 was needed to pay off maturing issues which were not exchanged in the recent refinancing. A small amount (\$372,000,000) of 1½% notes also matured on March 15.

By the end of March, however, the balance in the general fund should again rise to between \$6- and \$7-billion as it did in 1954 and 1953, so that any new temporary cash financing should not be required until early May, if then. Whatever is done before the end of the fiscal year on June 30 will not be a factor of any importance in the market. Refinancing the \$3.8-billion of 1½% certificates which mature on May 17 should be a simple roll-over into new certificates.

As a result of the Treasury refinancing policies last year and so far this year it is worth noting that Government maturities within one year had been reduced from nearly \$78.5-billion to under \$64.5-billion as of March 7, while the average maturity of the United States debt had been extended about seven months.

**Green Light:** What a pedestrian uses to get half way across the street.





For more than half a century  
**634 Banks**  
 in all parts of the country have  
 been Hanover Correspondents

**AN OHIO  
 BANKER WRITES:**  
*"No association has given us  
 greater pleasure through  
 the years than that of the  
 Hanover. It has been a privi-  
 lege to carry an account with  
 your fine bank, and we have  
 surely appreciated the fine  
 service and friendship you  
 have always given."*

*A Bank Is Known By The Correspondents It Keeps*

**THE HANOVER BANK**

Member Federal Deposit



Insurance Corporation



## BANKERS MUST TAKE THE LEAD IN Promoting Sound Fiscal Policies

The following is excerpted from an address to the midwinter meeting of the Ohio Bankers Association by DR. E. SHERMAN ADAMS, Deputy Manager of the American Bankers Association in charge of its Department of Monetary Policy.

ONE area of public policy with which bankers are especially concerned is monetary management. In recent years we have witnessed a convincing demonstration that the Federal Reserve's monetary policies can contribute substantially to the

stability of our economy. It is a unique responsibility of bankers to contribute to public understanding and support of sound monetary regulation.

This includes helping to preserve the independence of the Federal Reserve System. Most of us realize that in the long run the independence of the Reserve System is essential to the independence of our private banking system. Even in the short run, monetary policy cannot do the job it should in the public interest if it subordinated to political expediency. Bankers are concerned with the freedom of the Federal Reserve, therefore, both from the standpoint of the welfare of banking and from the standpoint of the welfare of the economy as a whole.

We are equally concerned with helping to prevent the prestige and authority of the Federal Reserve from being undermined. We are fortunate in having in the Reserve System so many high-calibre men in whose abilities we can place great confidence. This does not mean that we should never express disagreement with any of their actions or statements. But it does mean that we should not indulge in carping criticism, that we should be temperate in any criticisms we may feel impelled to make.

This unwritten code of conduct is widely observed by many bankers—though admittedly not by all. Last year, for example, there were many who felt that the Federal was pushing its easy money policy too hard. In general, however, criticism was restrained. Most bankers realized that, if they had the responsibility themselves for the determination of policy, they too might be inclined to err a bit in that direction under the circumstances. They also realized that monetary policy should be permitted to operate in an atmosphere of tolerance.

### Enough Regulation— But Not Too Much

Bankers are admittedly in a rather unusual position with respect to monetary management. From their standpoint, public regulation of credit may seem at times to inter-

(CONTINUED ON PAGE 154)



The Fulton National 25-story building is quite a change on Atlanta's skyline. It symbolizes in concrete form the tremendous growth and progress of the South in the past ten years.

The exterior work is now complete on our new Main Office and the interior work is progressing rapidly. We hope to move into the new quarters about the middle of the year. Call on us if we can help you in Atlanta or the Southeast. We offer a complete range of financial and correspondent bank services with the 46 years of experience and contacts throughout Georgia and the Southeast.



TEN LOCATIONS SERVING THE ATLANTA AREA  
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION  
MEMBER FEDERAL RESERVE SYSTEM



### SALESMAN WANTED

Are you now calling on banks? If so, present the advertising mat series, "The Story of Banking", to your banker contacts. Experts think the series finest they have seen. Excellent sales. High Commission. Write Dick Fowler & Associates, Advertising, Zook Building, 431 W. Colfax Avenue, Denver, Colorado.

# 103

### consecutive dividends

- A quarterly dividend of 45¢ a share has been declared on the common stock of this company, payable on April 1, 1955, to shareholders of record March 10, 1955.
- A quarterly dividend of \$1.00 a share has also been declared on the preferred stock of the company. It too is payable on April 1, 1955, to shareholders of record March 10, 1955.



E. H. Volwiler, President  
February 24, 1955

**ABBOTT LABORATORIES**  
Manufacturing Pharmaceutical Chemists  
North Chicago, Illinois

## ARO

### The ARO EQUIPMENT CORP.

Bryan, Ohio

### Quarterly Dividend Notice

The Board of Directors has declared a quarterly dividend of 30¢ per share in cash on common stock, payable April 15, 1955 to shareholders of record at the close of business on March 23, 1955.

L. L. HAWK  
Sec. Treas.

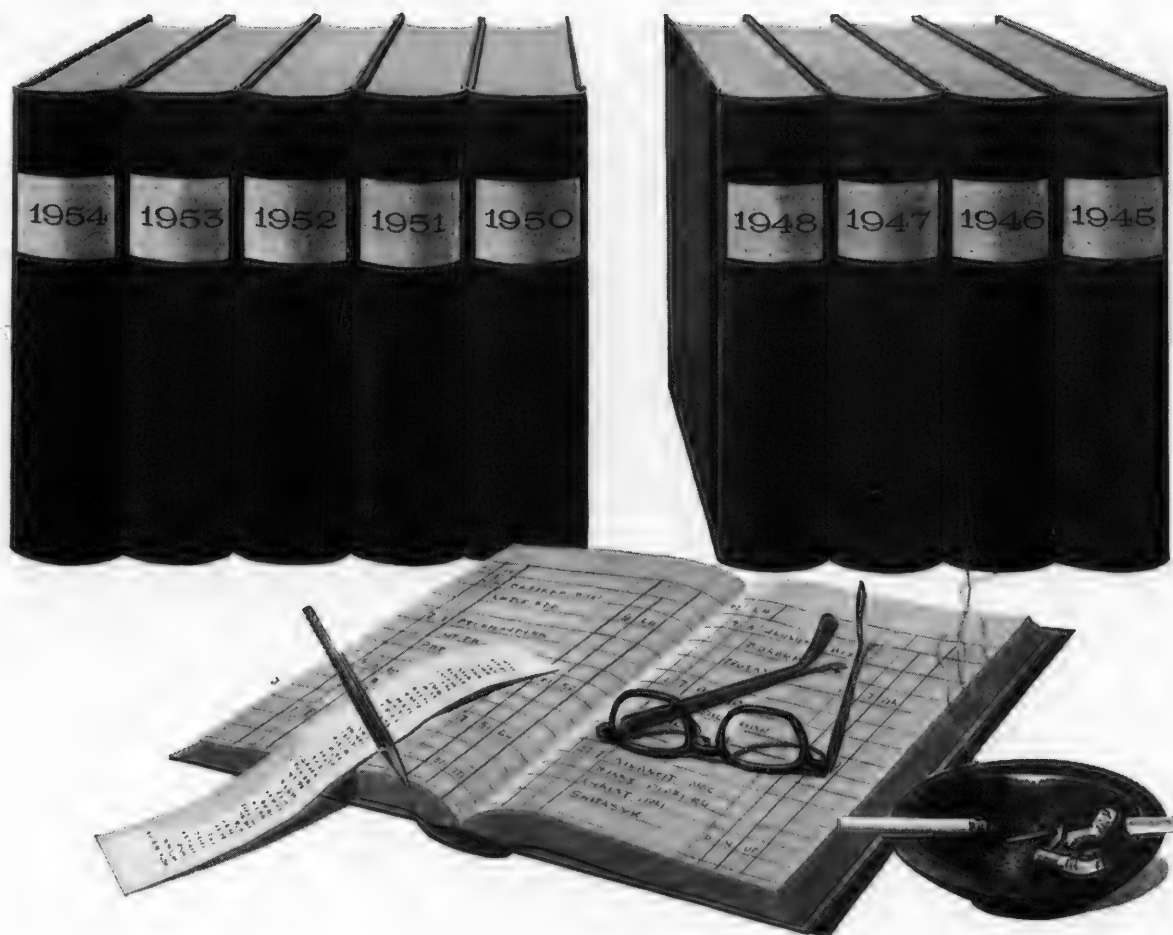
February 15, 1955

### Build New BUSINESS and GOODWILL with THE FAMILY DOLLAR

American Bankers Association  
12 East 36th Street, New York 16, N. Y.



# It need not be too late when you discover your loss!



*What does the past hold for your bank? Are you protected against losses—as yet undiscovered—that may have occurred years ago?*

You can be protected today against yesterday's losses! Indemnity's new excess Bankers Blanket Bond insurance provides catastrophe protection for discovered losses in excess of a specified underlying amount. It applies whether the losses occurred before the bond was written or while it is in force.

Remember, figures prove that embezzlements are on the increase. If you prefer, you can buy this new

coverage to provide excess protection on employee dishonesty only. And it is available at reduced, low rates.

For full details on this new Blanket Bond coverage, see or telephone your Indemnity Company Agent. He will be glad to show you how easily it can be fitted into your present insurance program.



**INDEMNITY INSURANCE COMPANY OF  
NORTH AMERICA**

One of the North America Companies which are headed  
by Insurance Company of North America, founded 1792

PROTECT WHAT YOU HAVE®

Philadelphia 1, Pa.



# ***NOW*** **PAPER-MATE® PENS**



are used throughout the more  
than 500 branches of  
**THE BANK OF AMERICA—**  
the biggest bank in the world!

Over 22,000 Paper-Mate pens and desk sets are now being used at customers' desks, tellers' windows, executive offices . . . in fact, in *every* department of The Bank of America—the world's largest bank.

Today more than 5,000 banks approve Paper-Mate's leak-proof, smear-proof, transfer-proof performance. Indisputable proof that Paper-Mate prestige and performance build lasting customer good will.

## **NEW ACCOUNT OPENERS**

Paper-Mate is the perfect pen for use in your bank and as gifts to depositors for opening a new account.

Paper-Mate Pens are available with your name or message imprinted on barrel. Write for discount and quantity prices today.



Advertising Specialties Division

**PAPER-MATE EASTERN, INC.**  
752 Broadway, New York 3, N. Y.

**PAPER-MATE COMPANY**  
8790 Hays Street, Culver City, California

**PAPER-MATE OF CANADA**  
265 Adelaide Street, West, Toronto, Canada

(CONTINUED FROM PAGE 152)

fere too much with the banking business.

One can hardly expect bankers to relish regulation any more than anyone else. Yet, in the public interest, bankers are called upon to support more regulation of their own business than are other economic groups. They must display greater self-discipline and more public-spiritedness than is required of others.

Fortunately, it does not follow that just because some regulation of credit is necessary, the more there is of it, the better. Excessive regulation of credit could become a menace to our free economy. Bankers have a duty to help to prevent this danger.

As a practical matter, the most effective way they can do this is by so conducting their own operations that the need or excuse for additional regulation of credit is reduced to a minimum. By cooperating with the Federal Reserve authorities and by helping to make monetary policy fully effective, they can reduce the pressure for additional credit controls.

## **Sound Money Is Essential to a Sound Economy**

Bankers have traditionally been champions of "sound money." They realize that wise policies with respect to Federal finances are essential to a sound dollar and a sound economy.

Unfortunately, these matters are not well understood by many people and their importance is not appreciated. Some people are lured by the siren notes of the inflationists. They fail to see the insidious dangers in loose governmental spending. Others are so afraid of deflation that they have an habitual bias toward inflationary policies. Now it may be that some bankers may err at times in the opposite direction; but, if this is the case, it may be a good thing to help to counterbalance the strong inflationary forces in our economy.

As custodians of that nation's bank deposits, bankers have a public responsibility to do what they can to preserve the purchasing power of their depositors' dollars. They therefore have a special duty to take the lead in promoting sound fiscal policies.

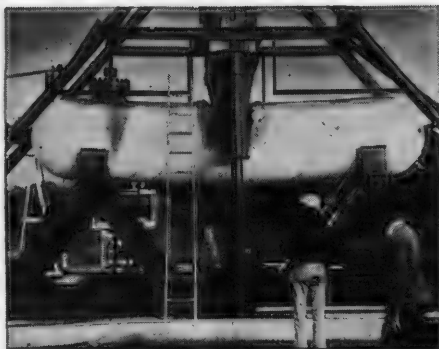
(END)



# Only STEEL can do so many jobs so well



**Steel Takes to the Air.** In Arizona, there's a sandy river bed where flash floods frequently occur. A gas pipe line had to cross the river bed. So, to avoid the flash flood danger, the 30-inch welded pipe line took to the air for 1020 feet. Pipe and supporting structure were fabricated and erected by U. S. Steel.



**Milk Tastes Better** when served this modern, convenient way. Many restaurants and school cafeterias use these stainless steel milk dispensers. Stainless won't rust. It's sanitary and easy to clean. And it's hard enough to resist dents and wear.

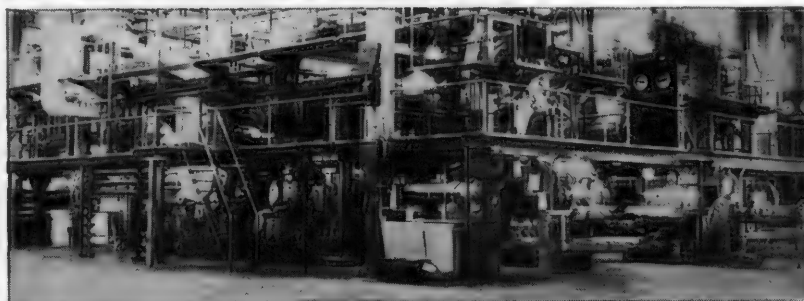
**Frozen Steel.** Ordinary steel becomes brittle at low temperatures. But U. S. Steel recently introduced a completely new alloy known as USS "T-1." This steel retains its strength and toughness at high and low temperatures; but even more important, it can be welded without need for heat treatment. The picture shows a "T-1" welded pressure vessel that survived a blow from a 13-ton ingot dropped 73 feet. The tank was chilled to  $-22^{\circ}\text{F}$ .

\*Trade Mark



This trade-mark is your guide to quality steel.

SEE THE UNITED STATES STEEL HOUR. It's a full-hour TV program presented every other week by United States Steel. Consult your local newspaper for time and station.



**1200 Feet a Minute!** That's how fast this magazine printing press gobbles up paper. At the delivery end, a sharp steel knife snaps in and out 640 times a minute to cut the paper. American Quality Springs are used to cushion the shock. They perform so well that the customer has been using them in these presses for 20 years.

## UNITED STATES STEEL

For further information on any product mentioned in this advertisement, write United States Steel, 525 William Penn Place, Pittsburgh, Pa.

AMERICAN BRIDGE... AMERICAN STEEL & WIRE and CYCLONE FENCE... COLUMBIA-GENEVA STEEL... CONSOLIDATED WESTERN STEEL... GERRARD STEEL STRAPPING... NATIONAL TUBE OIL WELL SUPPLY... TENNESSEE COAL & IRON... UNITED STATES STEEL PRODUCTS... UNITED STATES STEEL SUPPLY... Divisions of UNITED STATES STEEL CORPORATION, PITTSBURGH  
UNITED STATES STEEL HOMES, INC. • UNION SUPPLY COMPANY • UNITED STATES STEEL EXPORT COMPANY • UNIVERSAL ATLAS CEMENT COMPANY

5-264



# Bankers Are Prepared to Make Service Club Speeches

RUDOLPH R. FICHTEL

MR. FICHTEL is secretary of the American Bankers Association's Savings Bonds Committee. Those interested in obtaining further information on this subject can get in touch with the Savings Bonds Committee, American Bankers Association, 12 East 36th Street, New York 16, N. Y.

**B**ANKERS of the nation will take part as speakers in the "speeches to service clubs" promotion sponsored by the U. S. Treasury for the third consecutive year and scheduled for May and June, although earlier or later dates may be preferred by some clubs.

The promotion, whereby the Treas-

ury offers service clubs a "package program" for a regular luncheon or dinner meeting, has been endorsed by national service club organizations.

Printed Treasury announcement folders have been sent to club presidents and program chairmen. Suggested speakers in addition to bankers include attorneys and educators.

In 1953 the promotion honored bankers for their public service in issuing Savings Bonds without cost to the Government. Last year bankers spoke on "What Sound Money Means to You." For 1955 the theme will be "Take the Highroad to a Brighter Future."

The A.B.A. Savings Bonds Committee has prepared a speech for use by bankers in addressing service clubs. It is based on the 1955 theme of the Treasury service club promotion; hence it is entitled "Take the Highroad to a Brighter Future."

The speech is intended as a practical aid and stimulant for banker participation. Single copies may be obtained by bankers on request without charge. In addition, the committee will endeavor to make copies available through A.B.A. state Savings Bonds chairmen and state secretaries of bankers associations.

The A.B.A. speech, plus supplementary data for service club program chairmen and speakers, will also be obtainable through state offices of the U. S. Savings Bonds Division. Supplementary data will include program notes, a suggested news release, and background information on Savings Bonds.

---

## Calling All Bankers

**T**HE March issue of the *A.B.A. Savings Bonds Bulletin* included a special message to bankers from William H. Neal, senior vice-president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, and chairman of the A.B.A. Savings Bonds Committee:

*"This program offers you (the banker) a splendid opportunity to bring an effective message to the business and professional leadership of your communities, as well as to the public at large through your local press.*

*"You will be talking on thrift and sound financial practice—advocating self-reliance, individual initiative, and the responsibility of each citizen to provide his own security rather than looking to Government to supply it at the taxpayer's expense.*

*"You will be performing a useful public relations function for the banking fraternity in general, and your own bank in particular. You will be bringing the Treasury Savings Bonds Program to important and influential audiences.*

*"I urge you to see that your own service club arranges one of these meetings. I urge you to accept any speaking invitation you may be tendered.*

*"Tell your friends and associates how to 'Take the Highroad to a Brighter Future' through the practice of thrift and investment in Savings Bonds. Thus you will help to build greater interest in sound personal, community, and national finances."*

## Theme: Self-Reliance

By stressing individual self-reliance, with a theme that everyone can build his own security and independence, the speech shows how to take and stay on "the highroad to a brighter future."

Including tie-in anecdotes, the speech explains the role of Savings Bonds; dramatizes the goals, benefits and advantages of saving; describes E and H Bonds; and refers to Payroll Savings and Bond-a-Month Plans.

It concludes with three basic reasons "why you help yourself and your country when you buy Savings Bonds, and when you (service club members) use your prestige and leadership to urge others to buy them."

A note with each copy of the speech urges bankers to keep it short and to include the "local angle," i. e., what Savings Bonds means to "your community and to your audience."



# AN IMPORTANT STATEMENT

For You!

## COMMERCIAL UNION - OCEAN GROUP

OF FIRE AND CASUALTY INSURANCE COMPANIES

Maybe you're not a stockholder of our organization—maybe you're not now one of our policyholders—but you and every owner of property, personal or business, are interested in the Resources of the Insurance Industry to which we belong

• It is justly said that no other business institution has contributed more than has insurance to the development, strength and high standard of living of our country. Insurance has pioneered and progressed with America, where commercial development has continuously required more banking facilities, credit, and as a natural corollary, property insurance to hold business secure against the risks inherent in an expanding economy • Today, the resources of the insurance



industry lend support and provide security for all business enterprise, our homes, possessions and well being. Small wonder then that we all have an interest in the soundness and strength of insurance

• That is why we say our Annual U. S. Resources Statement which follows below is important to you, and why we are proud to present it here for your information. We believe that in maintaining Unquestioned Financial Resources based upon Integrity, Sound Management, and Unexcelled Insurance Protection Service, we are keeping faith with our great industry, with the insuring public, which we are proud to serve, and with our Agents and Brokers conveniently located in towns from Coast to Coast.

**FIRE • CASUALTY • AUTOMOBILE • AVIATION • BONDS**

### United States Resources - December 31, 1954

COMPANIES OF THE COMMERCIAL UNION - OCEAN GROUP	* ADMITTED ASSETS	LIABILITIES	CAPITAL OR STATUTORY DEPOSIT	SECURITIES DEPOSITED AS REQUIRED BY LAW	SURPLUS TO POLICYHOLDERS (Including Capital)	
					ANNUAL STATEMENT BASIS	MARKET VALUE BASIS
Commercial Union Assurance Co. Ltd. † ORGANIZED 1861	\$32,653,674	\$19,974,375	\$500,000	\$1,059,484	\$12,679,299	\$12,793,533
The Ocean Accident & Guarantee Corp. Ltd. † ORGANIZED 1871	39,224,845	26,800,158	1,000,000	1,166,294	12,424,687	12,573,040
American Central Insurance Company ORGANIZED 1853	16,178,329	8,586,882	1,000,000	666,612	7,591,447	7,678,356
The British General Insurance Co. Ltd. † ORGANIZED 1904	3,713,030	1,233,884	500,000	855,522	2,479,146	2,484,094
The California Insurance Company ORGANIZED 1864	9,915,150	5,485,426	1,000,000	594,076	4,429,724	4,478,987
Columbia Casualty Company ORGANIZED 1920	21,179,945	13,915,760	1,000,000	831,923	7,264,185	7,353,551
The Commercial Union Fire Ins. Co. of N.Y. ORGANIZED 1890	7,636,140	4,181,581	1,000,000	441,868	3,454,559	3,489,800
The Palatine Insurance Company Ltd. † ORGANIZED 1886	5,929,311	2,891,984	500,000	843,525	3,037,327	3,078,145
Union Assurance Society Limited † ORGANIZED 1714	5,747,460	2,873,713	500,000	944,525	2,873,747	2,912,093

† United States Branch

The Amount shown under "Capital or Statutory Deposit" is the amount required in order to transact business in the United States.

\* Includes Securities Deposited as required by Law.

HEAD  
ONE PARK AVENUE

ATLANTA



CHICAGO

OFFICE  
NEW YORK, N. Y.

SAN FRANCISCO



## Do-It-Yourself Bank Show

THE success of the SEW IT—SUDS IT—and SAVE exhibit put on by Union Dime Savings Bank in January led to a second Do-It-Yourself Exhibit—this time of particular interest to men.

Between February 21 and March 11, the bank's Murray Hill office on Madison Avenue held an exhibit of power tools and woodworking. A

special feature was the daily demonstration of home improvement projects given during the noon hour and included such items as how to lay floor tiles, home insulation methods, use of do-it-yourself aluminum, transfer patterns, and various power tools.

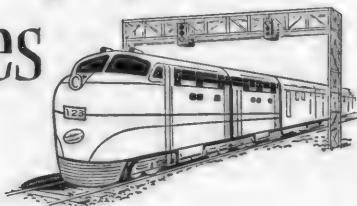
Both the exhibit and the demonstrations were made possible

through the cooperation of a number of midtown companies with offices near the Union Dime. The firms were enthusiastic over the opportunity to display and demonstrate their products in a bank.

Between 300 and 500 people a day attended the exhibit, which was publicized on the bank's radio newscast and mentioned on a number of other radio programs. The program of demonstrations for the first week was distributed to companies in the neighborhood—and on March 5, *The New Yorker* ran a special story on the show.

*For security...*

## Railroad Equipment Certificates



These prime obligations of American railroads, with their eight-decade record of performance, occupy a place of distinction second to none among privately issued investments. Their protective features, serial maturities and fundamental soundness are recognized by banks, insurance companies, trusteeships, pension funds and institutions—they have a strong appeal for all conservative investors. Especially do they merit the attention of those who require high grade obligations of short or medium maturity.

Our latest offering list includes several desirable equipments at attractive yields. Send for it without cost or obligation.

**HALSEY, STUART & CO. Inc.**

123 SOUTH LA SALLE STREET, CHICAGO 90 • 35 WALL STREET, NEW YORK 5  
AND OTHER PRINCIPAL CITIES

### 1954 Real Estate Financing Reaches a \$23-Billion High

DEMANDS for home mortgage credit boosted real estate financing to an unprecedented level in 1954, reports the Home Loan Bank Board. Non-farm mortgage recordings of \$20,000 or less, which covers the financing of new as well as existing homes, reached the all-time high of \$23-billion, exceeding those of the previous peak-year of 1953 by \$3.2-billion, or better than 16%.

In December alone mortgage recordings amounted to \$2.3-billion, surpassing financing volume for any month of record.



"Well, if it's just a bank rule, and you trust me personally, how about you endorsing my note?"





## SOUND *Cornerstone* FOR YOUR NEW PLANT

Ebasco's half century of experience is a solid foundation on which to base the new plant you are considering today. In that time Ebasco has engineered and constructed more than two billion dollars' worth of new, large plants and small in the United States and abroad, built for many different industries. Each bears the unmistakable stamp of the skill and integrity of Ebasco specialists, each a monument of quality engineering and construction.

Your new plant, too — whatever its size or function — will benefit from the broad experience which Ebasco will apply to every aspect of the project — from site selection and preliminary planning, through detailed design and finished construction to successful and economical operation.

For more information about our services, write for:

The Inside Story of Outside Help. Address: Ebasco Services Incorporated, Two Buxton Street, New York 6, N.Y.

1905 *Fiftieth* 1955  
*Anniversary*



NEW YORK • CHICAGO • DALLAS  
PORTLAND, ORE. • WASHINGTON, D. C.

Appraisal • Consulting Engineering • Design & Construction • Financial & Business Studies • Industrial Relations • Insurance, Pensions & Safety  
Purchasing, Inspection & Expediting • Rates & Pricing • Research • Sales & Public Relations • Space Planning • Systems, Methods & Budgets • Tax • Washington Office



# New Books

## Everybody's Finances

**PERSONAL FINANCE: PRINCIPLES AND CASE PROBLEMS.** By Arthur W. Hanson and Jerome B. Cohen. Richard D. Irwin, Inc., Homewood, Ill. 664 pp. \$8.

ALTHOUGH this book is intended principally for the college classroom, the extensive information it con-

tains is useful to many older readers who, like their juniors, encounter financial decisions that require knowledge.

With an eye on the students, the book begins by discussing income and occupation, which are the grass-roots of family resources. Then the financial problems of daily living are considered under "expenditure and budgeting." The remainder of

the volume is devoted to the personal financing of "comforts, satisfactions and security beyond the basic needs." Chapters cover the charge account and instalment buying, savings accounts and U. S. Savings Bonds, use of the bank, borrowing, insurance of various kinds, home purchase, taxes, investments, wills, trusts and estates. At the end of each is a series of practical case problems and a list of suggested readings.

This is the book's second printing. Revisions have been made to cover the new laws affecting taxes and social security.

Mr. Hanson is professor of accounting at the Harvard Graduate School of Business Administration. Mr. Cohen is associate professor of economics at the College of the City of New York.

## Savings Study

**A STUDY OF SAVINGS IN THE UNITED STATES.** By Raymond W. Goldsmith. Princeton University Press. 2 vols. \$30.

HERE are the first two books in a three-volume series reporting on a comprehensive, detailed study covering the years 1897 to 1949. Volume I is entitled *Introduction; Tables of Annual Estimates of Saving*; Volume II, *Nature and Derivation of Annual Estimates of Saving*.

The first summarizes the findings concerning trends, cyclical fluctuations and distribution of national savings. More than 500 tables give annual estimates of savings. Volume II includes discussions of the principles involved in measuring saving, the accuracy of the new estimates, and their comparison with other available data. Volume III, due later this year, will comprise collateral studies by Dr. Goldsmith and others.

Mr. Goldsmith notes that during the 50 years "the volume of national savings has shown an upward secular trend at a rate of approximately 1¾% a year."

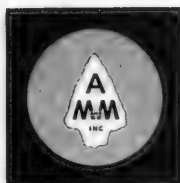


**CENTRAL NATIONAL BANK**  
of Cleveland

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

*Honesty may be the best policy because it has so little competition.*





## AMERICAN MACHINE AND METALS, INC.

### Reports Best Earnings in its 25 Year History

Despite reduced sales volume, the Company earned \$4.27 per share—the highest net earnings since its organization a quarter of a century ago. Contributing factors to these record earnings were removal of excess profits tax and improvement of operating procedures. Over the 25 year period, sales have risen from an average of \$3,000,000 in the thirties, to \$13,000,000 in the forties, to \$25,000,000 in the first half of the present decade.

Dividends have been paid on the capital stock for thirteen consecutive years. In the past two years additional extra dividends were distributed in the third and final quarters of the year.

Today the company stands in the strongest financial and operational position of its history. It enjoys a sound and vigorous leadership, a sensible diversification of its products, an intensive research and product development activity aimed at continuing its product superiority, and the most modern manufacturing facilities and production techniques.

On the basis of this present strength and its past accomplishments, American Machine and Metals faces the future—with whatever difficulties it may bring, and whatever demands it may make—with confidence.

*J. C. Hauder*  
President

## AMERICAN MACHINE AND METALS, INC.

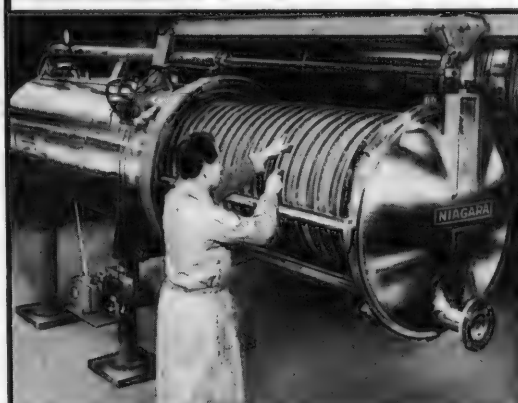
Woolworth Building, New York 7, N. Y.



25th Annual Report



PILOT'S STANDBY COMPASS—one of United States Gauge high-accuracy aviation instruments.



NIAGARA FILTERS meet the varying conditions of factories and refineries throughout the world.

### RESULTS OF OPERATIONS FOR 1954-1953

OPERATING RESULTS	1954	1953
Sales.....	\$24,615,272	\$32,148,682
Earned before income tax and renegotiation.....	3,616,751	5,486,079
Net Profit.....	1,495,451	1,429,079
Net per share.....	4.27	4.08
Dividends per share.....	2.10	1.60
Shares of capital stock outstanding.....	350,000	350,000
<b>FINANCIAL PROGRESS</b>		
Current Assets.....	\$12,462,438	\$13,720,059
Current Liabilities.....	4,382,751	6,113,302
Working Capital.....	8,079,687	7,606,757
Working Capital per share..	23.08	21.73
Shareowners' Equity.....	9,314,444	8,553,993
Net Worth per share.....	26.61	24.44

We will be pleased to send our complete  
annual report upon request.

Owners of American Machine and Metals stock—held in a brokerage firm's name, or in a nominee name of a bank or trust company—may have copies of all future reports, statements and other information for share owners sent to them, including the annual report for 1954, by written request to have their names placed on our special mailing list for that purpose. Address American Machine and Metals, Inc., Sec. A, 233 Broadway, New York 7, N. Y.

### Divisions and Products

#### AT THE GAUGE PLANT SELLERSVILLE, PENN.

##### United States Gauges

PRODUCTS: Pressure, temperature and flow-sensitive instruments such as absolute pressure gauges; aircraft instruments; air volume controls; altitude gauges; chemical gauges; boiler gauges; mercury, gas and vapor dial thermometers; glass tube and industrial thermometers; flow meters; inspectors' gauges; precision laboratory test gauges; marine, ship and air-brake gauges; welding gauges; ammeters; voltmeters.

##### Gotham Instruments

PRODUCTS: Pressure, temperature and time determining instruments for indication and recording as well as controlling industrial processes in the chemical petro-chemical, textile, rubber, food, beverage and many other processing and manufacturing industries.

##### Autobar Dispenser Systems

PRODUCTS: Patented liquor dispensing devices assuring accurate and uniform pouring, quality safeguarding, sales recording and inventory control for restaurant, tavern, hotel and club bars and other retail liquor dispensing establishments.

#### AT THE MACHINERY PLANT EAST MOLINE, ILLINOIS

##### Tolhurst Centrifugals

PRODUCTS: Both batch and continuous types of centrifugal dehydrating and clarifying machines for chemical, pharmaceutical, textile, metal working, food stuffs, beverage making and many other processing industries.

##### Niagara Filters

PRODUCTS: Horizontal and vertical pressure leaf filtering equipment for the chemical and processing industries, for the agglomeration of valuable solids and the clarification of liquids.

##### De Bothezat Fans

PRODUCTS: Fans and ventilating equipment for the control of temperature and humidity and the removal of odors, fumes and atmospheric impurities in industrial and commercial plants and buildings, also for dairy barn and poultry house ventilation and other agricultural applications.

##### Riehle Testing Machines

PRODUCTS: Testing machines and accessory instrumentation for scientific determination of the physical characteristics of materials of construction and manufacturing—hardness, ability to withstand impact and resistance to tension, torsion, crushing and bending forces. Widely employed in engineering, industrial, governmental and technical school laboratories.

##### Troy Laundry Machinery

PRODUCTS: Washing, drying, ironing, pressing, and automatic folding machines for commercial laundries, linen suppliers, hotels, hospitals, ship laundries, motel and neighborhood laundries, and private and public institution laundries.

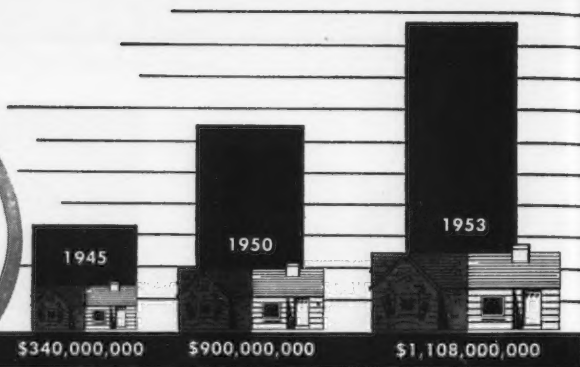
#### AT THE MINING PROPERTIES PHILIPSBURG, MONTANA

##### Trout Mining Division

PRODUCTS: Mining and concentration of dioxite, manganese, carbonate manganese, and zinc, lead and silver bearing ores.



# Increased Income for your bank through Home Improvement Loans



Source of figures: Bulletin No. 1146, U.S. Dept. of Labor, Bureau of Labor Statistics, showing major additions and alterations in private construction, residential building (non-farm).

## FHA Title I Plan

Your FHA borrowers may now enjoy the same credit life and property insurance protection which is available to non-FHA borrowers. This forward step in serving their needs gives added strength to your credits and support to your FHA operations.

Credit life insurance and property damage insurance build good will, cement dealer relationships and promote customer confidence, while strengthening your credits and easing your collections.

**How to Have Your Own Insured Payment Plan** Ask to have Old Republic's representative call on you. His advice and counsel will be invaluable to you in obtaining maximum benefits for your customers and yourself. Let him show you the proper procedure, rate charts, advertising materials and other tools especially designed for your property improvement program.

## Bank's Own Plan

By setting your own conditions and terms and adjusting rates to the size and type of loan, you enjoy greater operating flexibility and more profit.

# OLD REPUBLIC

SPECIALIZED INSURANCE SERVICE SAFEGUARDING CONSUMER CREDIT

**CREDIT LIFE INSURANCE COMPANY**  
HOME OFFICE: 307 N. MICHIGAN AVENUE, CHICAGO 1, ILLINOIS

James H. Jarrell, President

## BANKING'S ADVERTISERS

April 1955

Abbott Coin Counter Company.....	128	Delbridge Calculating Systems, Inc.....	130	Mobile-Home Agency, Inc. ....	114
Abbott Laboratories.....	152	DeLuxe Check Printers, Inc.....	140	Mosler Safe Company, The.....	149
Actina Life Affiliated Companies.....	Cover 11	Diebold, Incorporated.....	119	Mullins Manufacturing Corporation.....	101
Alden's, Inc.....	112	Dilley, Martin, & Hess, Inc.....	11	Murphy Products Company.....	71
Allied Chemical & Dye Corporation.....	10	Ebasco Services Incorporated.....	159	National Broadcasting Company—Co-operative Program Sales Department.....	15
Allied Radio Corporation.....	28	Electric Time Company, Inc.....	125	National Cash Register Company, The.....	135
Allis-Chalmers Manufacturing Company.....	4, 73	Exline, Inc., William.....	122, 125, 132, 134	National City Bank of Cleveland, The.....	113
American Appraisal Company, The.....	113	Federal Life & Casualty Company.....	25	National City Bank of New York, The.....	144
American Bridge Company.....	155	Fifth Third Union Trust Company, The.....	139	National Homes Corporation.....	124
American Credit Indemnity Company of New York.....	137	First National Bank of Arizona.....	134	National Shawmut Bank of Boston, The.....	97
American Express Company.....	Cover 14	First National Bank of Chicago, The.....	85	National Tube Company.....	155
American Fletcher National Bank and Trust Company.....	98	First National Bank of Memphis, The.....	145	New York Terminal Warehouse Company.....	76
American Machine & Metals, Inc.....	161	First National Bank of Minneapolis.....	5	North Branch Chair Company.....	28
American Security & Trust Company.....	115	Ford Motor Company (Tractor & Implement Division).....	16, 17	Northern Trust Company, The.....	123
American Steel & Wire Company and Cyclone Fence Division.....	155	Foremost Insurance Company.....	5	Oil Well Supply Company.....	155
Aro Equipment Corporation, The.....	152	Foundation for Better Reading, Inc.....	142	Old Republic Credit Life Insurance Company.....	162
Australia and New Zealand Bank Limited.....	140	Fowler and Associates, Dick.....	152	Paper-Mate Eastern, Inc.....	154
Banco Comercial Antioqueno.....	118	Friden Calculating Machine Company, Inc.....	96	Patented Plastics, Inc.....	14
Banco de Bogota.....	103	Fulton National Bank, Atlanta, The.....	152	Pittsburgh Plate Glass Company.....	63
Bank Building & Equipment Corporation of America.....	8, 9	General Electric Company.....	133	Rand McNally & Company.....	77, 126
Bank of America N.T. & S.A., San Francisco.....	129	Gerrard Steel Strapping Company.....	155	Recordak Corporation (Subsidiary of Eastman Kodak Company).....	65-68
Bank of Montreal.....	6	Gross Company, John W.....	100	Remington Rand, Inc.....	109
Bank of New South Wales.....	139	Halsey, Stuart & Co., Inc.....	158	Royal Bank of Canada.....	111
Bank of Nova Scotia, The.....	150	Hammermill Paper Company.....	104	Schermack Products Corporation.....	130
Bantrich International.....	103	Hanover Bank, The.....	151	Schudder, Stevens & Clark Fund, Inc.....	120
Barnett National Bank of Jacksonville, The.....	147	Harter Corporation.....	27	Seeburg Corporation, J. P.....	99
Bower Manufacturing Company, The.....	113	Hedman Company, The.....	29	Smith-Corona, Inc.....	18
Burroughs Corporation.....	75, 116, 117	Hygienic Dental Manufacturing Company.....	112	Swiss Bank Corporation.....	120
Canadian Bank of Commerce, The.....	7	Inserting and Mailing Machine Company.....	105	Tennessee Coal, Iron & Railroad Company.....	155
Central National Bank of Cleveland.....	160	Insurance Company of North America Companies.....	153	Todd Company, Inc.....	31
Central National Insurance Companies.....	6	International Harvester Company.....	Cover III	Toledo Scale Company.....	12
Central-Penn National Bank.....	11	Irving Trust Company.....	23	Union Supply Company.....	155
CheckMaster, Inc.....	110	Kelly, James.....	134	United Fruit Company.....	142
Christmas Club, A Corporation.....	19	LaMonte & Son, George.....	2	United States Bronze Sign Company, Inc.....	22
Chrysler Corporation (Airtemp Division).....	131	Latham Time Recorder Company.....	97	United States Steel Company.....	155
Chubb & Son.....	127	Lawrence Warehouse Company.....	146	United States Steel Corporation of New Jersey.....	155
Citizens National Trust & Savings Bank of Los Angeles.....	147	LeFebvre Corporation.....	148	United States Steel Export Company.....	155
Colorado Insurance Group.....	132	Life Insurance Company of Georgia.....	141	United States Steel Homes, Inc.....	102
Columbia Steel Company.....	155	Lloyd Thomas Company, The.....	113	United States Steel Products Company.....	155
Commerce Clearing House, Inc.....	32	London & Lancashire Group.....	115	United States Steel Supply Company.....	155
Commercial Union—Ocean Group.....	157	Manufacturers National Bank of Detroit.....	114	Universal Atlas Cement Company.....	155
Consolidated Western Steel Corporation.....	155	Manufacturers Trust Company of New York.....	136	Valley National Bank, Phoenix.....	22
Continental Bank & Trust Company of Salt Lake City.....	26	Marquette Cement Manufacturing Company.....	106	Virginia Bridge Company.....	155
Continental Illinois National Bank and Trust Company of Chicago.....	121	McGraw-Hill Publishing Company, Incorporated.....	13	Watson Manufacturing Company, Inc.....	142
Davis Store.....	132	Metal Products Engineering, Inc.....	122	Youngstown Kitchens.....	101
		Metropolitan Oakland Area Committee.....	83		



# The Condition of Business

(CONTINUED FROM PAGE 33)

[6] That, with a view to assuring better appraisal and cost estimates, securing more substantial and continued owners' interest in maintenance, and the elimination of windfalls, the whole organization of the apartment house program be further tightened up and full advantage taken of the commendable provisions of the Housing Act of 1954.

[7] That the President be given the authority to increase equities required on new mortgages insured by the Federal Housing Administration; and (b) More extensive use be made of the principle of sharing the risk on insured loans with the Government by the institutions making such loans.

[8] That the Federal Housing Administration be reorganized in such a manner that it will provide its own financing without having to call on the Government for funds, subject however to Federal regulation. The Home Loan Banks and the Federal Savings and Loan Insurance Corporation are examples which might be followed.

[9] That no change be made in the expiration dates of the loan privileges under the veterans' housing program, other than in the direct loan program referred to above.

[10] That if the inclusion of the "special assistance" functions in the Federal National Mortgage Association interferes with the reorganization of that agency as prescribed by the Congress, these functions be transferred to some other agency.

[11] That the President be authorized to establish the equities to be required for loans made or guaranteed under these "special assistance" functions.

[12] That Federal grants-in-aid be used to provide security for private loans to slum-clearance projects and that the Federal lending and guaranteeing functions of this agency be terminated.

[13] That either the name Public Housing Administration be changed to "Federal Slum Clearance Administration" or that the name of the Federal Housing Administration be changed to the "Federal Mortgage Insurance Administration."

[14] That the liquidation of the war housing, veterans' reuse housing, the Subsistence Homesteads and Greenbelt Towns programs be accelerated.

[15] That the program of loans for college housing be terminated.

[16] That the liquidation of the prefabricated housing lending program be accelerated.

[17] That the liquidation of the Alaska housing loans be accelerated.

[18] That the Government dispose of all repossessed housing units held by it as soon as practicable.

[19] That the program of urban planning and reserve of planned public works in the Housing and Home Finance Agency be terminated.

[20] That the authorization of the Housing and Home Finance Agency to lend money for public works except as they are necessary for public housing projects be repealed.

[21] That the operating functions of the Housing and Home Finance Agency be made subject to the Government Corporation Control Act.

## FARM CREDIT

[22] That the acquisition of stock in the banks for cooperatives by their borrowers be accelerated.

[23] That the banks for cooperatives be required to place their holdings of United States securities in the Treasury in return for a non-interest-bearing credit.

[24] That the 143 production credit associations in which the production credit corporations own stock be prohibited from paying dividends to their stockholders until all Federal capital has been repaid.

[25] That the production credit corporations be liquidated and that, pending liquidation, they deliver their holdings of Government bonds (which amounted to \$41,809,000 on June 30, 1954) to the Treasury in return for non-interest-bearing credits.

[26] That, in order to effect mutualization, the Federal intermediate credit banks charge a premium on loans to facilitate the acquisition of their stock by their borrowers.

[27] That the United States securities held by the Federal intermediate credit banks (amounting to \$50,208,000 on June 30, 1954) be turned over to the Treasury either (a) to reduce the Treasury's investment in the banks by that amount or (b) in return for non-interest-bearing certificates of indebtedness of the United States.

[28] That (a) the authorization of the Federal Farm Mortgage Corporation to furnish \$500,000,000 of funds to the Federal land banks be rescinded, (b) the Federal land banks continue as liquidators of the Federal Farm Mortgage Corporation, (c) the land banks deduct liquidation costs from collections and pay the net collections to the Treasury, and (d) that the Congress require the mineral rights to be transferred immediately to the Secretary of the Interior without waiting for the date originally fixed by law.

[29] That (a) the \$150,000,000 stock in the banks for cooperatives held by the Agricultural Marketing Act Revolving Fund be returned to the Treasury for future redemption by those banks, and (b) the remaining assets and the liabilities of the fund be turned over to the Treasury for liquidation.

[30] That the Farmers Home Administration instruct the county committees advising the agency to screen more carefully applicants for loans to insure compliance with the criteria for loan applicants contained in the law.

[31] That the Farmers Home Administration require adequate equities under all its loan programs except disaster and emergency crop and feed loans.

[32] That the Congress require the Farmers Home Administration to charge interest, premiums, or other fees on loans made by the agency sufficient to cover the administrative expense of the lending program and the cost of money to the Treasury.

[33] That periodic inspections of commodities held in storage for the Commodity Credit Corporation be made to determine their condition and that the Congress be informed of the decline in value resulting from deterioration.

[34] That the Commodity Credit Corporation discontinue its program of advanced payment on commodities and that it make only purchase agreements at the price-support level offered by producers.



[35] That premiums charged by the Federal Crop Insurance Corporation be increased to an amount which will cover losses, the cost of administration, and provide reserves.

[36] (a) That the Rural Electrification Administration be reorganized on a self-supporting basis; (b) secure its financing from private sources; and (c), as reorganized, be made subject to the Government Corporation Control Act.

#### VARIOUS AGENCIES

[37] That the authorization of the Secretary of the Treasury to lend the Federal Deposit Insurance Corporation up to \$3-billion be carried on the books of the Treasury as a contingent liability.

[38] That (a) the Export-Import Bank cease normal commercial short-term import-export loans; (b) the Export-Import Bank be set up as the sole Federal instrumentality for making long-term export loans, loans for development of foreign resources and loans to foreign governments; and (c) Congress provide by annual appropriation the funds necessary for the purpose described in (b).

[39] (a) That the Small Business Administration be brought under the Government Corporation Control Act so as to secure its comprehensive audit by the General Accounting Office on a business basis.

(b) That it be continued for another two years, during which period it will have an opportunity to demonstrate its usefulness to small business on sound business principle.

(c) That, in the meantime, it should charge sufficient interest to earn its operating expenses arising out of lending and to pay interest to the Treasury on Government funds equal to the cost of money to the Government.

[40] That the veterans life insurance program be reorganized on a self-sustaining basis, paying its own administrative expenses and be made subject to the Government Corporation Control Act in order to secure the advantages of more efficient organization under the act.

[41] That the Congress review the International Monetary Fund with a view to determining whether its service is any longer necessary from the standpoint of the United States.

[42] That the Congress revise the Government Corporation Control Act to provide for Federal charters for Government corporations having greater uniformity in standards, requirements and practices.

#### FISCAL POLICY

[43] That the Secretary of the Treasury be required to impose rates of interest on the agencies discussed in this report for Federal advances or contributions equal to the going rate of interest paid by the Treasury on its obligations of comparable maturity.

[44] That all lending and guaranteeing agencies charge such fees to their borrowers as will permit them to reimburse the Treasury for the cost of money advanced to them and cover their own administrative expenses.

[45] That the recommendation made by the 1947-49 Commission on Organization of the Executive Branch be adopted:

"We recommend that all Government business enterprises be required to surrender to the Treasury all United States securities held, up to the amount of the capital furnished them by the Government and that they receive in return non-interest-bearing credit in the Treasury. They should not be allowed to invest their idle funds in any other securities except as authorized by the Congress. This recommendation does not include trust accounts."

[46] That all nonmutualized agencies engaged in lending, guaranteeing and insurance be required to report each year to the Congress and the Treasury in a form determined by the General Accounting Office the total amount by which earned income failed in the previous year to cover:

(a) operating expenses; (b) interest on advances by the Government at a rate equal to that on the public debt of comparable maturity; (c) losses on loans or investments; (d) reserves against losses; and (e) if the agency is not paying a return on the Government's investment, interest received on holdings of United States securities up to the amount of the Government's investment.

[47] That a representative of the Secretary of the Treasury sit ex officio on all boards or commissions having the power to affect the fiscal policy of the United States. His major function when serving in this capacity would be to convey to such agencies the credit policy of the Federal Government.

[48] That the General Accounting Office expand and strengthen its inspection of the business activities and policies of these agencies in addition to the comprehensive audit and that it report its findings to the Congress.

#### SAVINGS AND BENEFITS

It is impossible to fully estimate the benefits to the Federal Government by adoption of our recommendations. These savings would include:

(1.) Ultimate annual savings.

(a) The payment of administrative expenses as outlined under Recommendation No. 44 above, which amount to about \$95,000,000 annually.

(b) The payment by borrowers on future loans of interest rates equaling the cost of money to the Federal Government would probably amount to \$100,000,000 annually;

(c) The cancellation of interest on Government securities held by lending agencies operating with Federal funds would amount to \$5,000,000.

(2.) Reductions in the national debt.

(a) The return of capital funds to the Treasury from agencies which we recommend be mutualized should amount to about \$4,536,000,000;

(b) The return of capital funds to the Treasury from concerns which should be liquidated might amount to \$1,681,943,000;

(c) The cancellation of the authority to borrow from the Treasury would eliminate possible investments by the Federal Government of about \$1,114,000,000.

The requirement of greater initial equities under all loans or guarantees would save the Federal Government from great possible losses.

Insistence upon the payment of loans due from foreign governments consistent with their economic capacity would secure large sums for the American taxpayer.



r-  
ll  
e  
t  
e  
r  
d  
e

n  
e-  
a  
e  
e-

y  
ic  
or  
if  
's  
ed  
's

ne  
is  
ne  
is  
it

ad  
ad  
n-  
ss.

ne  
a-

t-  
ch

of  
d-  
00

te-  
ral

om  
ld

om  
to

om  
by

all  
ent

or-  
ca-  
x-

NG